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mp to 'Bug' Headquarters Nixon Re-Election Aide Held Break-In on Democrats

WASHINGTON, June 18 (AP)—A break-in on the offices of the Democratic National Committee in the security center for President Nixon's campaign committee, public records in the case that was as James W. McCord Jr., under court, Rockville, Md., the President's James W. McCord Jr. of the same address living a net salary of \$1,200 for his job as security aide.

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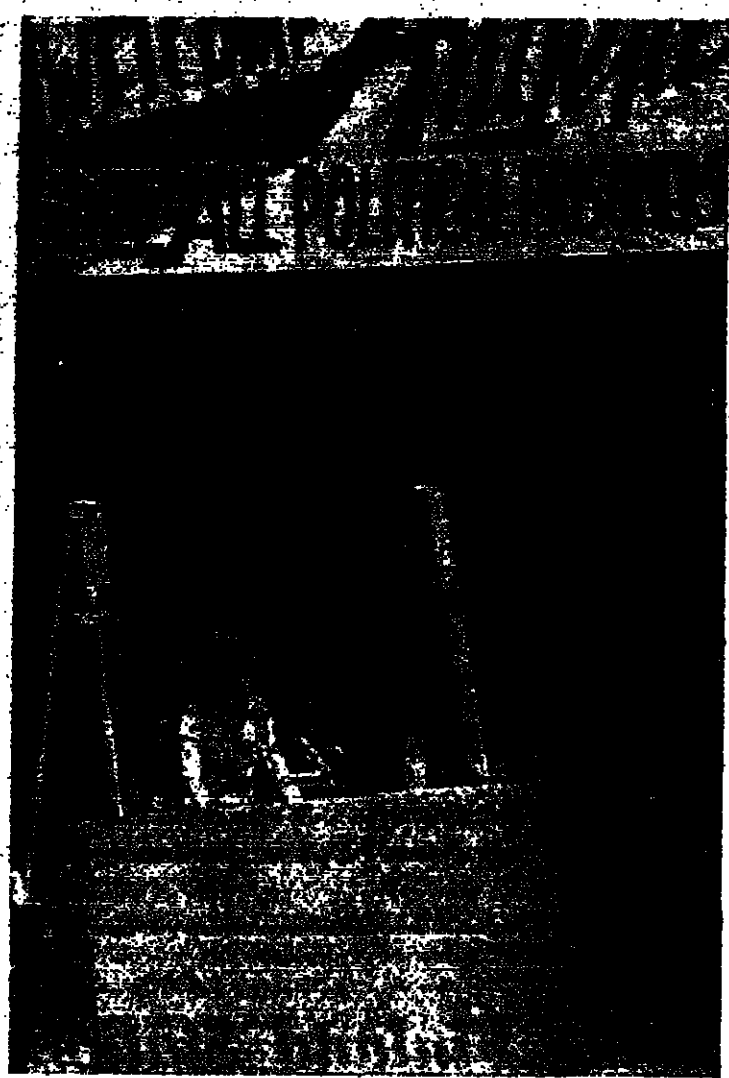
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SHIELDED—Angela Davis, speaking in Chicago Friday before 3,000 persons, is protected by bulletproof screen.

Behind Bullet-Proof Screen, Angela Davis Urges Revolt

CHICAGO, June 18 (UPI)—Angela Davis, surrounded by a bullet-proof screen, told about 3,000 persons Friday night that the potential for organized revolution is greater now than ever before.

Mrs. Davis' speech was delayed an hour as Communist party youths checked all persons for weapons with a metal detector.

"I think it's self-explanatory why the tight security," Angela Davis is still a political prisoner. They couldn't convict her but they're going to get her one way or another eventually," one party worker said.

Mrs. Davis' speech was interrupted often by cheering, shouts of "Right on, sister" and the black power salute.

"If you can build a movement strong enough to free me, you can build a movement to protect our community from racist, bullies and bully clubs," Mrs. Davis said.

"If you people have freed me, not the system of justice in the courts. The black community rallied behind me as a symbol of all the victims of the government's expanding terror."

"The movement of resistance is spreading with lightning speed. The potential for organized revolution is greater now than at any other period in history," she said.

"We must find ways to organize a movement to overthrow a criminal capitalist economic and political system that nourishes itself with oppression and terror."

The true revolution will be led by black, brown and working people, she said.

"Marx and Lenin have provided us with the weapons to transform the fabric of our society. We must be unmovable, unshakable in our commitment," she said.

"We have a terrible, terrible struggle ahead of us," she said.

McGovern Gains in 4 States, Eyes N.Y. Victory Tomorrow

By R.W. Apple Jr.

NEW YORK, June 18 (NYT)—Sen. George McGovern of South Dakota swept Democratic conventions in four mountain states this weekend and scored strongly at conventions in North Dakota, Connecticut and Puerto Rico.

Experienced Democratic professionals at the conventions and in Washington, though still perturbed by Sen. McGovern's economic proposals, which they consider "radical" and ill-considered, were prepared to concede him the party's presidential nomination.

While maintaining publicly that they still expected the South Dakota to fall short, some aides to Edmund S. Muskie, of Maine, and Hubert H. Humphrey, of Minnesota, said privately that the two senators were remaining in the race mainly in the hope of persuading Sen. McGovern to moderate some of his positions and thus foster party unity.

Sen. McGovern moved his delegate-vote total to 1,091.55 at the seven weekend meetings. In Tuesday's New York primary he is expected to gain at least 200 of the 248 delegates to be elected.

Next weekend, he is expected to gain more votes among the 30 to be allotted by the New York State Democratic Committee, two when Nebraska chooses its National Committee members, and eight at the Delaware convention.

Some new commitments from formerly uncommitted delegates and from supporters of Sen. Muskie are anticipated after the New York balloting. But even without these gains, McGovern should have 1,295 votes—184 short of the 1,500 needed for nomination—when the long and complex delegate selection process comes to an end next Saturday.

The McGovern staff has identified 165 delegates whose votes they expect to win before the Democratic convention opens in Miami Beach on July 10. Only a failure of monumental proportions in New York is likely to prevent them from approaching that target.

With 334 delegates still to be selected, the latest New York Times tabulation shows the following totals of committed delegate votes:

McGovern 1,091.55, Humphrey 387.55, George C. Wallace 377, Muskie 179.10, Henry M. Jackson 29, Shirley Chisholm 25, Wilbur D. Mills 2.55, Favorite sons 27. Uncommitted 532.35.

Daley Beats Stevenson

SPRINGFIELD, Ill., June 18 (Reuters)—Chicago's Mayor Richard Daley has won election as chairman of the Illinois delegation to the Democratic National Convention, defeating an attempt by Sen. Adlai Stevenson 3d to take over leadership of the 170-member delegation.

180,000 Reported At Dallas Festival Of Jesus Music

DALLAS, June 18 (AP)—A religious gathering billed as Explo 72, closed here yesterday with a Jesus music festival which was cheered by a crowd estimated at up to 180,000.

"The young people have made an end run around the church, and we're going back home to the church and say to it we believe in the old-fashioned Gospel of Jesus Christ," declared evangelist Billy Graham in an appearance during the closing hours of the Explo activities.

The music fare near downtown Dallas ranged from country-Western to soul, including hymns and rock 'n' roll mixed with a religious theme. Also appearing was record artist Johnny Cash, who declared, "This is the most important place I've ever performed."

Mr. Graham, honorary chairman of Explo, received a standing, shouting ovation when he delivered the final message of the six-day evangelism training congress.

No unusual incidents were reported by authorities during the weeklong gathering.

Britain Allows Son Of Prokofiev To Stay

LONDON, June 18 (AP)—Oleg Prokofiev, 44, artist son of the late Russian composer, Sergei Prokofiev, has been permitted to stay in England for another year, the Home Office said Friday, even though he has exceeded his Soviet permission to stay abroad.

Friends of the painter say that he is defying a Soviet order to return home. Mr. Prokofiev has been lecturing at Sheffield University since his arrival last fall.

The Home Office said that Mr. Prokofiev had been granted permission to stay on until next February, but a spokesman added that he has not requested political asylum.

Dismissed as Unworkable, Disruptive

Nixon Staff Attacks McGovern Over Financial Policies

By Edwin L. Dale Jr.

WASHINGTON, June 18 (NYT)—The Nixon administration yesterday attacked for the first time in detail Sen. George McGovern's plan for redistributing the nation's income and raising the money through tax "reform."

The attack came from Herbert Stein, chairman of the President's Council of Economic Advisors, though at no point did he name the South Dakota senator, now the leading candidate for the Democratic presidential nomination.

Mr. Stein's criticism came in a 26-page speech to the Virginia Bankers Association at Hot Springs, the text of which was made available here.

Using a combination of sarcasm and detailed figures, Mr. Stein made two main points about the income redistribution proposals.

First, he said, "the fundamental problem is that all such plans count on the willingness of the nonpoor to give money to the poor. There has to be such willingness because the nonpoor greatly outnumber the poor and dominate the political process. The fact with which all such income redistribution plans must contend is that there is a limit to the willingness of the nonpoor to give income to the poor."

Second, on taxes, Mr. Stein observed: "The arithmetic is just not consistent with the notion that we can get a lot of revenue from loopholes closing simply by closing those loopholes which are of maximum benefit to the rich. The fact is that the tax preferences enjoyed by the upper-income brackets are not large enough to be a potential source of revenue to alter our budget position seriously."

At one point in his speech, Mr. Stein referred to "the ferocious desire of middle-aged and one might also say middle class and middle Western men to don the guise of new men and appeal to the youth, and to the rest of the country which now idolizes the idea of youth."

Mr. Stein attributed the idea of an income distribution plan based on a \$1,000 grant to every man, woman and child in the country—a plan embraced in principle by Sen. McGovern—to "certain academic economists."

He analyzed various ways in which it might work and how much tax increase it would involve under various assumptions.

With no change in current tax law, he said, the plan would require a flat federal income tax rate of 40 percent of taxable net income in addition to the income tax rates now in force.

"What the new politician seeks," he said, "is not the consensus issue but the divisive issue. He seeks the issue on which he can divide black against white, young against middle-aged, poor against rich, and women against men. Of course, for the professional politician who wants to win an election and not merely lead a demonstration, this selection of issues creates a certain difficulty. Having done his best to polarize the society he then finds himself wanting the support of both poles. This has created an identity crisis for certain members of the opposition."

Mr. Stein said the plan for a \$1,000 per capita grant, even if offered as a substitute for welfare, would benefit mainly persons with incomes from \$5,000 to \$15,000 rather than the poor.

Describing one version, he said, "The plan amounts to shuffling around about \$310 billion for the sake of giving something like \$5 billion or \$10 billion to the poor people."

"The primary question," he continued, "is whether tax reform or loophole-closing offers a promise of yielding a substantial addition to the federal revenue without running into the most obvious obstacle—which is that the great mass of taxpayers who supply the great mass of revenue do not want their taxes raised but are instead quite eager to see their taxes reduced."

He also disputed the McGovern view that \$17 billion should be raised by higher taxes on corporations. He said that this would either be passed through to consumers in the form of higher prices or else would be "a move to increase the excess burden of taxation on the return from property" that would be "borne by people who have small amounts of capital and small amounts of total income as well as persons who have large amounts of capital and large amounts of total income."

"It seems to me," Mr. Stein said, "that there is no conceivable basis on which additional new taxation of corporations can be considered a reform, however attractive the idea may superficially be from a political viewpoint."

Much of Mr. Stein's speech was devoted to the essentially non-political issue of the relatively new tendency, emphasized in a recent major report by the Brookings Institution, of federal spending to rise faster than the growth in revenues, even without new programs.

Mr. Stein conceded that "we have commitments which will have to be undone if we are not going to spend all of the revenue that is forthcoming... It will be possible to avoid the need for tax increases only if unusually great resistance is offered to the addition of new expenditure programs and even to the continuation of old ones."

Iraq Signs Deal With France To Provide Oil for 10 Years

PARIS, June 18 (NYT)—Iraq has guaranteed that France can continue to take oil from the nationalized Kirkuk fields for 10 years under conditions that prevailed before the takeover on June 1, a joint communiqué said tonight.

The agreement reached after a five-day visit here by Saddam Hussein, the 35-year-old vice-president of the Iraq Revolutionary Council, means that France has been given a favored position among the stockholders of the nationalized Iraq Petroleum Company.

French sources were at pains to point out that this did not mean that the 30 percent state-owned Compagnie Française des Pétroles was breaking out of the American-dominated club of giant oil companies, which controls most of the non-Communist world's oil production.

The precise terms of the French-Iraq agreement were set forth in an exchange of technical letters signed by the secretary general of each foreign ministry—Hervé Alphand for France and Chadi Taqia for Iraq. These letters were not made public.

The communiqué said that CFP (the French company) would be able to buy 33.75 percent of the production of the Kirkuk wells in northern Iraq under pre-nationalization conditions.

This represents CFP ownership in Iraq Petroleum, whose other stockholders are: Standard Oil Company of New Jersey, Mobil Oil Company, Royal Dutch Petroleum Company, British Petroleum and the Calouste Gulbenkian Foundation.

France normally took 14 million to 18 million tons of petroleum a year from Kirkuk, according to the production tempos set in the fields.

Heavily dependent on Iraqi oil, far more than other European countries and the United States, France was primarily interested in assuring that its supplies would not be cut off in future years.

Iraq would like to pull France out of the international oil club and set up a rival group with, according to the report circulating in Paris this week, France at the center.

Chile Jails General In '70 Coup Shooting

SANTIAGO, Chile, June 18 (Reuters)—A retired Chilean general, Roberto Vial, has been sentenced to 20 years' imprisonment, followed by five years' exile, for complicity in the assassination of the army's commander, Rene Schneider, in 1970, the army announced yesterday.

A right-wing militant, Jaime Melgosa, who was found guilty of firing the shots that killed the general, was sentenced to life imprisonment.

Gen. Schneider was shot on Oct. 23, 1970, in what testimony showed was a plot to spark an army coup to prevent Salvador Allende Gossens from assuming the presidency.



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Tom Clark Decries U.S. Laws On Pot, Prostitution, Drinking

SEATTLE, June 18 (UPI)—Retired Supreme Court Justice Tom Clark said Friday that he sees no reason for laws against marijuana, prostitution, drunkenness and gambling.

Mr. Clark, 72, who was appointed to the nation's highest court in 1949 and retired in 1967, said that sometimes jurors act as an example of an unrealistic law and then challenge current laws of a similar nature.

"With experts telling us marijuana is not worse than whiskey, I don't know why we don't have marijuana on the same control system," he said.

Mr. Clark said he could see no reason why prostitution between consenting adults is a crime, noting that England eliminated such laws without any apparent moral collapse.

Mr. Clark was in Seattle to speak to the Citizens Conference on Washington Courts. His remarks came in an interview after his speech.

Sprinkling SALT on Congress

What is to be made of Mr. Nixon's assertion to the Russians—revealed only as he submitted the SALT agreements to Congress—that the United States might withdraw from the treaty limiting defensive weapons if further curbs are not negotiated on offensive weapons within five years? On its face, it is meaningless. No one can know what the shape of great-power relations will be in 1977, or who will be in the White House or the Kremlin. In the almost inconceivable event that the Soviet Union found a way and a reason to threaten all American land-based missiles simultaneously, the United States would still retain the most effective part of its deterrent, the invulnerable missile-carrying submarines, to say nothing of the missile-carrying bombers. A Soviet refusal to put tighter limits on offensive weapons would alarm Washington, but no more than an American spurt in building new weapons—even those permitted by agreement—would alarm Moscow. Anyway, no conceivable American progress on ABMs could nullify the Soviet deterrent. Moscow surely knows that.

The real explanation of the President's threat to haul out of the ABM treaty must be elsewhere. We would look first to his belief, updated in his talk to legislators at the White House Thursday, that pressure must be put on the Russians to assure success in the second round of SALT. But where is the confirmation that such pressure worked in the first round? Even while hailing the SALT results, Henry Kissinger conceded in Moscow that the American bargaining position had been "rather complex . . . not brilliant," that is, the United States was trying to leech Soviet growth in categories (ICBMs and subs) in which the United States had no momentum at all. Ahead, no matter who occupies the White House next June, lies a period in which popular longings for reduced tensions will

be reinforced by challenges to arms spending. A SALT bargaining posture relying on a threat to quit the ABM treaty hardly seems politically apt.

It may also be that Mr. Nixon hopes the SALT ratification process will serve his reelection. No one contends that ratification of the ABM treaty or approval of the interim (five-year) agreement on offensive weapons is in doubt. Henry Kissinger's superb briefing of the legislators Thursday was in that sense overkill. But evidently the President wants to welcome aboard as many as possible of the more conservative and Joint Chiefs-minded legislators, whose support of SALT now would broaden his electoral appeal in the fall.

Then, Mr. Nixon plainly wants to use the SALT ratification process to promote his \$83.4 billion defense budget: arms control through arms building is his theme. His budget will not only support the continued MIRVing of missiles already deployed, and continued R & D. It also calls for \$1 billion more toward building the new Trident submarine, though, as we said in January, no demonstration has been made of a threat to the Polaris-Poseidon force it is meant to replace; and \$444.5 million for the new B-1 bomber, the need for which is no better proven.

Perhaps no President could be expected to resist the temptation to get double or triple duty out of a SALT agreement: to MIRV it politically, if you will. We count on the Congress, particularly the Senate, to make quick work of ratifying the ABM treaty and approving the offensive-arms agreement—not even the diligent and skeptical Henry Jackson has yet found substantial flaws—and then to get on with its really important business of examining which weapons and forces the United States both needs and can afford.

THE WASHINGTON POST.

Sorry or 'So Sorry'?

Despite Henry Kissinger's helpful visit to Japan, relations of confidence and trust between Washington and Tokyo are not likely to be quickly revived.

Mr. Kissinger's apology in Tokyo for last year's "Nixon shocks" on China and economic policy was the essential first step. He has been blamed in Japan even more than Mr. Nixon for these moves. But important as it was for Mr. Kissinger to say he was sorry, it is even more important to prove he is not saying "so sorry." Nothing would be worse than a diplomatic apology that concealed an intention of continuing a China-first policy in place of the country's Japan-first policy in Asia.

The balance of power, not the balance of trade and payments, was at the center of his discussions. In military affairs, Mr. Kissinger said, there are still but two superpowers, the United States and the Soviet Union; a nuclear Japan is certainly not favored, nor is Japan expected to play a military role in Asia apart from the conventional defense of the Japanese islands. Secretary Laird's contrary suggestions, going as far as to propose a Japanese fleet in the Indian Ocean, thus were repudiated.

The next Japanese government, after

Premier Sato's retirement this summer, will be under great domestic pressure for diplomatic recognition of Peking and the loosening of ties with Taiwan. In preparation for that move, Tokyo has just repudiated a key passage in the Nixon-Sato communiqué of 1969 that in effect gave advance assurance that the United States could count on the use of its bases in Japan and Okinawa for the defense of Taiwan. Now the United States is on notice that it will have to consult Tokyo, if a crisis develops in the Taiwan Straits, and obtain its prior consent under the Japan-United States security treaty before making use of American military facilities in Japan.

That Japanese move was the welcome that greeted Mr. Kissinger as he arrived in Tokyo on his much-delayed "official" visit. He had no hope of reversing it although he evidently did convince Japan's leaders that he was not anti-Japanese. He improved the atmosphere by announcing Emperor Hirohito's projected visit to the United States, presumably as a preliminary to an American presidential visit to Japan next year. But the real work of re-establishing a solid alliance still lies ahead.

THE NEW YORK TIMES.

Unpredictable Court

It is already clear that the Supreme Court under Chief Justice Burger has an orientation quite different from the court under Chief Justice Warren. But the court retains a rugged quality of unpredictability that defies efforts to put it in any rigid ideological mold. This quality has just been reflected in the court's ruling that no person may be jailed for a petty offense without the right to free counsel.

With only Justice Lewis F. Powell Jr. and William H. Rehnquist dissenting, the court has thus greatly extended the constitutional right to free counsel, first guaranteed to poor defendants in felony trials by the historic ruling of *Gideon v. Wainwright*. The new ruling, written by Justice William O. Douglas, offers the same protection to any person even if he faces only a brief jail sentence.

In another ruling, however, the court moved conservatively in the direction of "law and order." It went beyond a 1968 decision which gave to police the authority to "stop and frisk" dangerous-looking per-

sons on suspicion that they might carry concealed weapons. In an opinion written by Justice Rehnquist, the court held that the suspicion need not result from a police officer's own observation but might derive from something as vague as an anonymous tip.

The two rulings, for all their apparent conflict in trend, may indicate an effort within the court to reconcile two opposed views of the relationship between law and the public's demand for protection. The Rehnquist ruling is responsive to President Nixon's complaint that the court has "gone too far in weakening the peace forces as against the criminal forces." The Douglas ruling continues in the direction of assuring the poor of equal protection before the law. Whether the court has done so deliberately or not, the two rulings could be viewed as an attempt to balance a reduction in citizen protection against excessive police power by improving the safeguards against subsequent miscarriage of justice.

THE NEW YORK TIMES.

In the International Edition

Seventy-Five Years Ago

June 19, 1897

PARIS—The environs of Paris were visited by a cyclone such as is fortunately seldom seen in this country and which, besides causing three deaths and injuries to nearly fifty people, has wrought immense destruction to property. Amiens and Bois-Colombes suffered most severely but considerable damage was also done to Saint-Denis. Paris itself escaped damage, but the unusually heavy downpour of rain was sufficient indication of disturbed meteorological conditions.

Fifty Years Ago

June 19, 1922

BOSTON—After diligent searching of the law books, Police Commissioner Bailey has notified the patrolmen of the metropolitan district that he knows of no law to prevent women smoking in public on the beaches under control of the State. A day or two ago a policeman noticed three young women smoking cigarettes as they strolled along the beach. He stopped them, chastised them and when he threatened to arrest them, they simply laughed and offered him a cigarette for himself.



To the Finland Station?

By C. L. Sulzberger

BRUSSELS—Perhaps nothing better symbolized the cockeyed conditions of our present world than the following juxtaposition of known facts. The Soviet Union sincerely desires a European security conference to be followed by a formal East-West agreement. It is prepared to pay for the latter ratification of Europe's existing borders by some kind of separate mutual balanced force reduction (the famous MBFR) of the NATO and Warsaw Pact armies.

At the same time, Western intelligence knows—and has confirmed from defectors—that the basic Soviet war plan would aim, in case of conflict, at occupying the entire Atlantic and Channel coast line of West Europe within two weeks. It would then spend a further two weeks mopping up, assuming all this could be done by conventional weapons plus small tactical nuclear arms and that an all-out holocaust exchange with the United States could somehow be dodged by the balance of terror.

On the one hand, we know that the Russians have developed and built enormous new superatomic deuterium bombs, which have been photographed, as well as 8,000-ton (surface weight) atomic submarines, larger than anything in the U.S. Navy. On the other hand, we know that the Soviet generals oppose any talk of MBFR—but have been overruled by the Kremlin.

Global Problem

The apparent dichotomy implied by all this merely reflects a global problem, existing in West as well as East. Both sides want to reduce war dangers and the huge cost of the arms race, but their leaders also are leery about proceeding too fast or unilaterally. As they inch toward détente they wish to keep their powder dry.

In some senses Moscow has the advantage. Its autocratic governing system can make the people pay what their leaders decide is necessary; not vice versa, as in the West. Thus Russia spends the same as the United States on its annual military program but it has only half the U.S. gross national product. Its investment on defense is therefore relatively double America's.

The burden is heavy and obviously Brezhnev would like to lighten it if there is equivalent reduction in NATO. But the latter trend has already set in—unilaterally and ahead of time. Western Europe's income has increased 20 percent during the last five years. Yet its expenditure on

defense, calculated in real terms, has declined 2.5 percent during the same period.

This worries NATO's leaders. They already know that 11,000 allied tanks face 17,000 Warsaw Pact tanks in Europe and that within two months of any war's start the former figure could be raised only to 12,500 while the latter would jump to 36,000. However, if the Soviet war plan mentioned had been successful, these statistics would be meaningless anyway.

Both West and East are edging toward some kind of slowdown in the arms race and a formalized easing of tension. Yet the pace is nearer the tortoise's than the hare's. Caution is the key word. Joseph Luns, the immense

Dutchman who heads NATO as secretary-general, warns:

"If the NATO countries, in anticipation of MBFR or détente, should first reduce their own defenses, this would jeopardize the chances of détente and end the chances of MBFR. Why? Simply because a unilateral Western decrease in arms removes all reason for the Russians to make concessions of their own. If they can get something for nothing, why should they pay for it?"

The Western alliance is therefore jittery about how fast and how far to move toward arms reduction, while its populations are jittery about failure to move at all. The voters want comfort more than protection; their governments worry about letting this

area gradually become "Finlandized." What they mean is neutralization and exposure to Soviet threats.

Obviously nothing like that could happen for years. However, no responsible statesman minister wants to risk moving unilaterally past a point of no return as détente settles in. One cardinal point has nevertheless been settled by Mr. Nixon's recent Moscow visit.

This is that both Russia and America now legalize espionage by acknowledging they can check on each other's arms and disarming programs, with the cameras of their space satellites. If they could devise means of similarly exploring each other's minds, would that help or hinder peace?

The Lavelle Affair

By Joseph Kraft

WASHINGTON—A stock character in fiction is the gung-ho American military man hooked on anti-Communism to the point of starting a nuclear war by private actions taken against the explicit orders of the President. So strong is the grip of art on life that all of us are tempted to cast in that role Gen. John Lavelle, the air commander who has been retired and demoted for exceeding bombing orders in Vietnam.

But the evidence, though not yet complete, points in another direction. It suggests a supreme company man who allowed himself to be made the scapegoat for a massive, sophisticated and systematic ordering of presidential commands by the military commands in both Washington and Vietnam.

The official version of the case is relatively simple. In the four-month period between Nov. 8, 1971, and March 8, 1972, 147 planes carried out 28 missions over North Vietnam, and that went beyond the standing order to bomb only after being fired upon or locked by enemy radar.

Ryan Informed

On March 8, the violations were brought to the attention of the Air Force Chief of Staff, John Ryan, through the medium of a letter sent by a sergeant to Sen. Harold Hughes and passed on to the Air Force. Gen. Ryan ordered an investigation. As a result of the investigation, Gen. Lavelle was demoted from four-star to three-star rank and retired. End of story.

Only a lot of little details kept coming to the surface which pro-

long the story. For one thing, Gen. Lavelle, in testimony to the investigating subcommittee of the House Armed Services Committee, said that his practice of hitting the enemy first and then calling it "protective reaction" was widely known in Vietnam. He asserted that the commanding general in Vietnam, Creighton Abrams, was aware of the practice.

Then there is a curious set of developments that took place on March 8—the day the first evidence of the bombing excess was supposedly made known to Gen. Ryan. On that very day in Vietnam, the Air Force suddenly stopped giving detailed briefing accounts of raids over North Vietnam.

Maybe that's just coincidences. But a more likely explanation is that Air Force headquarters at the Pentagon was at least dimly aware of the violations for a long time.

As soon as the sergeant's letter surfaced, the higher-ups knew without investigating what the trouble was. Accordingly they moved with unwonted speed, the kind of speed they reserve for such occasions, to cover up evidence.

On top of that, there is the treatment accorded Rep. Otis Pike, the New York congressman who has forced the issue to the surface. When Congressman Pike first began looking into the matter in April, he ran into a stone wall of silence at the Pentagon. When he raised the matter on May 15 in a speech on the House floor, the Air Force made a statement so innocent of information that Mr. Pike felt

obliged to return to the issue in a second statement on the floor the next day.

On two occasions, very high officials in the Pentagon intervened to muzzle Mr. Pike. Once, it seems, Gen. Ryan offered to give him the true facts providing Pike kept them to himself. Pike refused.

On a second occasion, it seems, Defense Secretary Melvin Laird offered to give Pike the true story provided Pike kept it off the record. Pike again refused. Finally, and most importantly, here is the demeanor and personality of Gen. Lavelle. Nothing in his background suggests the one-man operation; everything points towards the conformist. He came up in the Air Force as a manager rather than a hot pilot. He is a non-West Pointer who has apparently always wanted to be a West Pointer.

At the hearing, his attitude towards what he had done was unrepentant and he seemed to be on the best of personal terms with Gen. Ryan, the man who hammered him. At one point Gen. Lavelle said that he would do it just the same if he had it to do all over again.

Tacit Consent

From this evidence my own sense is that as Hanoi began preparing for its spring offensive, there was throughout the Vietnam command a growing disposition to hit the buildup in North Vietnam. Many strikes that went beyond the strict orders of "protective reaction" were probably carried out with the tacit consent of the brass in Washington and Saigon.

When the violation of orders became known, the instinct of the system was to find a scapegoat. Gen. Lavelle, loyal to the Air Force all the way, stepped forward.

If that interpretation is correct it suggests that the problem of controlling the military is no mere matter of enforcing discipline on a few hotshots. It involves the far more difficult task of bending to the cruel logic of a limited war a vast, highly organized and impenetrable bureaucracy that does not understand or, in its heart, accept the limits. It is an almost impossible task, which is one more reason why the country needs to be out of Vietnam.

What the GON Wants From Democrats

By Wm. F. Buckley Jr.

NEW YORK—They talk about stopping George McGovern, and who knows, they may succeed in getting William Scranton to present himself at Miami to spearhead the effort. But let's face it, it isn't going to work. But between you and me, I hope that the effort itself to stop McGovern fails, and here are my labyrinthine reasons why.

Well over one-half of the people going down to Miami are quite conventional Democrats, decent, law-abiding, pious New Dealers. But about one-third of them are political Hell's Angels bound and determined to rip off tradition, the Constitution, the whole thing. These are young people who have burned with enthusiasm for George McGovern for months, some of them for over a year. They have undergone the most extraordinary privations in order to bring out the vote for McGovern. Some of them have even forgone fornicating in public places, such being the fever of their dedication, making their predecessors who resolved merely to be clean for Gene summer pilgrims by comparison.

Now this army of zealots doesn't want to arrive in Miami and find nothing to do, no walls to push against, nothing to set their ideological passions. They need a good fight, a good victory. They need to crush, let us say, a last minute attempt by Hubert Humphrey to take the nomination away from George McGovern. Or they may need a dark horse to vanquish; a desperate move, say, to give the nomination to an establishmentarian dreamboat: an Earl Warren Jr. type.

Fight Expected

Falling that, what will they do in Miami?

What they will do is fight the old order with the credentials committee, of course. But primarily they will fight over the platform. And that is what we Republicans want to see. Hour after hour of it on national TV.

How about a raging fight on the question of permissive abortion vs. compulsory abortion? I suppose I'd want, under the circumstances, permissive abortion to win out, but I'd want the victory to be narrow. A real squeaker.

Or how about a demand by the leader of the Massachusetts delegation who for all we know is only a year or two older than Shirley Temple when she discovered the good ship Lollipop, delivering a rousing call for free marijuana? Why should marijuana go only to the privileged few? Those who make use of tax loopholes? Those landowners who have the wherewithal to grow grass? Those super-educated who alone can afford to buy catalogues telling them how to grow it? Who says marijuana should be smoked only by people who can read instructions?

As regards foreign policy, why not get somebody to stand up and say that the time has really come to close down on tax loopholes. I can hear it now: Stop the tax exemption for the United Jewish Appeal!

Secretary Laird has testified that to adopt the defense budget proposed by George McGovern would be quite mad. Instead of spending the proposed \$60 billion a year on defense, said Mr. Laird, we might just as well spend one billion to buy white flags which we could hoist all over the world. Surely, in endorsing this proposal, a McGovern delegate could insist that a billion dollars for white flags is a typical military-industrial extravagance. White flags shouldn't cost that much money. Are the Republicans suggesting that they all be loomed on Sen. Eastland's plantation?

Likely Scenario

That, as I say, is the likely scenario if the delegates don't find themselves caught up in mundane movements involving the naming of a candidate. That is why, if I were George McGovern, I'd be spending my time urging Hubert Humphrey to stay in the race and to try to make a tough fight out of it. Already we have seen that Humphrey's ascension has gone to the point of publicly considering the possibility of George Wallace as a running-mate. A complementary gesture, by George McGovern, would be the public consideration of Shirley Chisholm. His failure to do so suggests to me that at this moment what he desires least is to overwhelm Hubert Humphrey, and now we all know the reasons why.

Letters

Tip to Libya

Col. Moussa Qadhafi of Libya has announced that he is ready to aid worthy revolutionary causes anywhere in the world, even in Ireland and the Philippines (DET, June 12).

He need not go so far from home. Right there on his own African continent the liberation movements of Angola, Mozambique and Guinea have been bravely fighting for freedom from Portugal for the past 11 years.

These are revolutions with the best of credentials. The United Nations has condemned Portuguese colonialism many times.

JEAN MACKELLAR,
Pleasanton, France.

Explaining Russia

It is really surprising that Russia did not react differently to our mass bombing of Vietnam and the mining of some of its harbors. They, most likely, calculated the probable consequences of these actions as follows:

More casualties; more U.S. money spent; more U.S. prisoners of war; more unrest in the United States with demonstrations, fights, upheavals at the colleges; possible

estrangement with U.S. allies; U.S. concentration of focus, attention and force away from areas of real Kremlin interest; namely Europe and the Middle East.

For this reason they most likely not only welcomed our move, but would be happy to plan with the Pentagon the next, similar action.

HAROLD L. LOEW,

Wiesbaden, W. Germany.

Pas de Deux

In their arduous pas de deux performed in the DET June 8, C.L. Sulzberger and William F. Buckley Jr. convincingly depicted an idyllic scene indeed.

First, there is "a decline in the newsworthiness of the Indochina conflict." Then the French TV and radio network is suddenly "if anything pro-rather than anti-American." The apothecies: "The... collision that resulted (from the blockade of North Vietnam)... between Russian and American champagne glasses in the Kremlin."

I truly believe Buckley was not the only person in or outside the United States to be "proud of Richard Nixon last Thursday night."

Yet the same Buckley wonders

—and that's where the picture gets a bit muddled—at "what's eating us." He should know better... last week alone, nearly 1,000 government troops were killed and several hundred others wounded or reported missing in South Vietnam. This may not be newsworthy by some standards; the figures are all the same pretty high, especially for a tiny nation like Vietnam.

NGUYEN XUAN CHANH,
Clermont-Ferrand, France.

Cartoonist Nods

There's a mistake in your Rip Kirby comic strip! (The Johnny Paragon business). If Johnny Paragon has acrophobia, then how could he have dived from the high-diving board when Kirby first saw Paragon? Paragon probably would have fainted up there, too. And he's supposed to be the best athlete in the club! But how could he dive from that height?

JOHN T. DWYER Jr.,

13 years.

JAN S. DWYER,

11 years.

JOEY F. DWYER,

7 years.

Wuppertal, W. Germany.

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Miss Devlin Makes Appeal To Provisionals for Truce

BELFAST, June 18 (AP)—Civil rights militant Bernadette Devlin today appealed to the Provisional wing of the Irish Republican Army for a seven-day halt to violence amid reports of a split among leaders of the outlawed guerrilla group.

Both the Dublin and London-based headquarters of the nationalist Provisional wing heatedly denied reports of a division among its top ranks.

Miss Devlin, 24, the youngest member of the British Parliament and a longtime backer of the Provisionals' campaign of violence to oust the British from Northern Ireland, launched her appeal in an interview over the Irish state radio network.

"These political developments came as bombings continued in Ulster. In Lurgan, near Belfast, a bomb exploded inside a house being searched for arms. Three soldiers were killed and six wounded two of them critically."

A pair of bombs exploded within seconds of each other, destroying the Victoria Mill Weaving Co. plant in Belfast. There were no injuries.

Widespread reports of the Provisional split were published in both Dublin and Belfast newspapers today. They said David O'Connell, chief tactician of the Provisional IRA, was taking over in a policy dispute from the organization's chief of staff, Sean MacStiofain.

But Mr. O'Connell telephoned the British Broadcasting Corp. to deny the news.

Pressure increased on Miss Devlin's appeal to the IRA, however, appeared to indicate a dramatic step-up in pressure on the Provisionals to join the IRA's other wing, the Marxist Official group, in calling a ceasefire, even if limited.

The Officials called an indefinite truce to violence last month in response to a growing chorus of appeals from Roman Catholics in Belfast and Londonderry. Miss Devlin said she was not asking the Provisionals to cease all opposition to British rule, but for a "seven-day nonretaliatory period" during which they could again present their demands to

Britain's administrator of Northern Ireland, William Whitelaw. She called for a stepping up of the civil disobedience campaign of refusal to pay taxes or rents for municipal housing.

"The IRA," she said, "could show that although the people want peace it was not the end of the campaign, because there cannot be peace while internecine are still held and people are still on hunger strike" in jails.

In her appeal to the IRA, she said: "I believe, at this stage, it would be wise in their own interests and to the community's interests to show their strength in something other than military form because they cannot keep a military campaign up for ever."

The IRA's council was meeting today across the border in County Donegal. Both Mr. O'Connell and Mr. MacStiofain are members of the council. The secret meeting was said to be discussing future tactics.

Today's blast came shortly after British troops muzzling a barbed wire barricade blocked 500 Catholics from marching through downtown Belfast. The crowd reacted by sporadically throwing stones, but finally dispersed without major incidents.

Snipers Hit

British Army marksmen claimed today that they hit two snipers during a gunbattle at a Londonderry army post in which over 200 shots were fired. No soldiers were hurt.

Earlier a soldier and a policeman disarmed a bomb left in a baby carriage pushed toward a police station in Coalisland.

Yesterday, two bombs rocked Belfast, injuring 25 persons as Roman Catholic and Protestant youths battled with each other in the streets.

The first blast wrecked the Woodvale Arms, a bar in the Protestant Shankill district. The explosion injured 18 persons, damaged buildings within a radius of 300 yards and left a crater four feet deep and eight feet wide.

First warning of the bomb came in a telephone call to a Belfast newspaper office. Troops and police rushed to the scene and evacuated the area.

The second explosion came without warning. The blast destroyed an abandoned house in the Catholic Springfield area and rocked Murtagh's Bar nearby. Seven people inside the bar were injured.

Fund Drive in U.S.

NEW YORK, June 18 (NYT)—Irish-Americans have begun a new drive to raise funds for the IRA Provisionals.

Sean Keenan, a long-time opponent of British authority in Northern Ireland, arrived here last week to open a coast-to-coast speaking tour. The Irish Northern Aid Committee, with a New York office in the Bronx, hopes to raise \$250,000 in a month-long campaign.

Republican Party Decides to Back Coalition in Italy

ROME, June 18 (Reuters)—Italian Premier-designate Giulio Andreotti today began formulating a tentative government program as prospects for an end to the five-month political crisis brightened.

The Republican party brought about the sudden change in the political climate Friday night by agreeing to give support to a center coalition government of Christian Democrats, Social Democrats and Liberals.

Such a coalition could swing Italian politics to the right and will have only the slimmest of majorities. But it now seems to be the only feasible type of administration.

It will have to deal with Italy's worst economic crisis since World War II and control a frightening rise in crime and violence. But it may trigger agitation on the left and thereby create more problems.

For the first time in 10 years, the Socialists will be excluded from the government—replaced by the right-of-center Liberals.

Anconans Flee New Tremor

ANCONA, Italy, June 18 (Reuters)—Thousands of inhabitants of Ancona fled back into the countryside today when a strong earthquake measuring nine on the 12-point Mercalli scale left three people dead from heart failure and 50 injured by falling masonry.

About 75 percent of the city's 100,000 residents fled to the countryside and were told not to return until the area had been quake-free for at least 24 hours. A large number returned today but when the tremor struck, registering between four and five points—they fled again. The tremor put the instruments of a mobile geophysical station out of order but otherwise caused no damage or injuries, police said.



DEDICATION—French President Georges Pompidou at the inauguration of the monument to Gen. Charles de Gaulle yesterday. Mrs. de Gaulle and son Philippe are at left.

Huge Monument to De Gaulle Is Dedicated

By Jonathan C. Randal

COLOMBES, France, June 18 (WP)—Thousands of Gaullist faithful traveled today from all over France to inaugurate an enormous pink granite Cross of Lorraine honoring the late Gen. Charles de Gaulle.

In a simple ceremony on the highest hill overlooking the late president's country home, his successor, Georges Pompidou, said, "Death, my general, you know is a beginning."

Speaking with quivering voice to Gen. de Gaulle as if he were still alive, Mr. Pompidou continued, "Your legend scarcely has begun to take flight, and already the shadow of its wings covers France."

Built with the proceeds of a million-dollar national subscription, the 147-foot monument was inaugurated on the 32d anniversary of Gen. de Gaulle's call to resistance against the German occupation in World War II.

The Cross of Lorraine was the wartime emblem of the Gaullist Free French.

Aside from Mr. Pompidou's emotional speech, the ceremony was a cold affair, reflecting in many a Frenchman's mind the thinly disguised antipathy alleged to exist between the present president and orthodox Gaullists, including the general's widow and son, Adm. Philippe de Gaulle.

While many of the surviving companions of the Liberation—



147 feet high

the restricted Gaullist order of merit—were present at the ceremony here, others took part in Paris in a silent protest demonstration critical of Mr. Pompidou.

Gathered at the Paris monument honoring the 300,000 French men and women who died in deportation during the war, they protested against Mr. Pompidou's recently revealed decision to pardon Paul Touvier, a prominent French wartime collaborator with the Germans.

Mr. Pompidou, always suspect among the most orthodox Gaullists because he did not take part in the Resistance, was asked by the 13 protesting committees participating in the ceremony to revoke the pardon.

But here in the rolling countryside of eastern France, the relations between Mr. Pompidou and the veteran Gaullists were polite, if formal.

Mr. Pompidou and his wife, arrived by helicopter from Paris, participated in the ceremony and left, all within half an hour. Shaking the hand of the general's widow after his speech, Mr.

Pompidou said, "I spoke from the very depths of my heart."

But, symptomatic of the atmosphere, Mrs. de Gaulle, her son, Andre Malraux and the some two dozen other members of the monument committee stood on one side of the podium during the president's speech, while Mrs. Pompidou, Prime Minister Jacques Chaban-Delmas and Defense Minister Michel Debre were placed on the other.

As soon as Mr. Pompidou left, Maurice Couve de Murville, the general's last prime minister, appeared, followed by many Companions of the Liberation, in whose ranks were four ministers in the present government.

Thousands Admire

Finally, the thousands of faithful who neither saw nor heard the ceremony on the hilltop, from which they were banned, were allowed to climb up and admire the monument.

Although Mr. Pompidou in his speech said the general had expressed interest in such a monument during a private conversation 18 years ago, many French people find the Cross of Lorraine, visible more than 12 miles away, hardly in keeping with the general's native austerity.

But, no less an authority than Mr. Malraux, in his book "Fallen Oaks," recording his last conversation with Gen. de Gaulle in 1969, quoted the general as saying: "They will erect a great Cross of Lorraine on the hill which dominates the others. Everyone will be able to see it, but no one will—as there will be no one. It will encourage rabbits to take to the Resistance."

U.S. to Require Money Reports Of Travelers

WASHINGTON, June 18 (AP)—The Customs Bureau cautioned international travelers last week against failing to report any money or monetary instruments over \$5,000 when they enter or leave the United States.

The bureau said that beginning July 1 new regulations adopted under the Bank Secrecy Law go into effect. Among other things, the new rules require reporting when \$5,000 or more is carried, mailed or otherwise sent either out of or into the country.

Customs Commissioner Vernon D. Acree said that failure to make the reports can result in forfeiture of funds as well as civil and criminal penalties.

The \$5,000 rule is one of many in a regulations package adopted recently by the Treasury Department to carry out a 1970 law. The regulations impose extensive bookkeeping and reporting requirements on the nation's financial institutions.

The purpose of the law is to detect criminal activity carried on through secret foreign bank accounts.

Canada Opens Power Project

CHURCHILL FALLS, Canada, June 18 (UPI)—Prime Minister Pierre Elliott Trudeau Friday officially opened the vast Churchill Falls hydroelectric project—the biggest in the Western world—and hailed it as a construction feat "which will rank with any in history."

The complex, situated 750 miles north of Montreal in the Labrador wilderness, covers a total area of 35,682,000 square miles, 10,000 square miles more than the area of Ireland. By 1976, it will have a capacity of seven million horsepower. The largest hydroelectric power project is located in the Soviet Union.

Israeli Judges Named In Airport Raid Case

TEL AVIV, June 18 (UPI)—The armed forces chief of staff, Lt. Gen. David Elazar, today named the members of a three-man military tribunal that will try the surviving Japanese Lod Airport attacker, Kozo Okamoto, a military spokesman said.

The spokesman gave no date for the trial, but military officials said that it might begin "sometime next week."

Killer Storm Now Heading For Florida

Northwestern Coast Target of Hurricane

MIAMI, June 18 (AP)—With winds of up to 95 miles an hour, Hurricane Agnes moved toward Florida's northwestern coast today after spawning several tornadoes that struck the Florida Keys.

The tornadoes moved through Conch Key and Big Coppitt Key, just east of Key West, in the early morning. The police said at least 38 persons had been injured at Big Coppitt Key, where a tornado hit a mobile-home area, overturning scores of trailers and cars. A smaller twister struck a restaurant in Key West, causing heavy damage but no injuries.

Agnes, which developed into the season's first hurricane late yesterday, was blamed for three more deaths in Cuba, bringing the storm toll there to seven in three days.

President Nixon was at his Florida home at Key Biscayne, in the fringe area of the hurricane. He flew there from the Bahamas, where the weather was overcast and threatening.

Robert Simpson, director of the National Hurricane Center in Miami, said that if the storm continued its northerly direction at its speed of 11 miles an hour, it would move inland over the Florida panhandle shortly after noon tomorrow.

The center extended its hurricane warning to include all of northwest Florida from Cedar Key to Pensacola. It posted Gale warnings for Florida's west coast from Fort Myers to Clearwater, north of the heavily populated St. Petersburg-Tampa area.

Mr. Simpson said that, based on the history of Gulf of Mexico storms, Agnes was expected to move almost in a straight path due north. He emphasized that the hurricane center was making no predictions about the storm's movement to land.

Pakistan Plans Defense Budget Of \$405 Million

RAWALPINDI, June 18 (AP)—Pakistan will spend more on defense than ever before in its first budget since the breakdown of Bangladesh, the rise to power of President Zulfikar Ali Bhutto and the devaluation of its currency.

According to the budget released yesterday, Pakistan will spend 446 billion rupees (\$405.7 million) for defense in the fiscal year starting July 1.

The sum is greater than the 415 billion rupees pegged for development.

The issue of defense spending looms large in anticipation of the peace talks scheduled to start June 28 in India between Mr. Bhutto and Indian Prime Minister Indira Gandhi. Discussions were expected to touch on limiting the arms race between the two hostile neighbors, both of which are among the poorest countries in the world.

U.S. Judge Sets Fines for Trading With Rhodesians

NEW YORK, June 18 (AP)—A federal judge Friday imposed fines totaling more than \$130,000 against three American businessmen and two companies for violating sanctions against trading with Rhodesia.

The three defendants pleaded guilty April 13 to exporting either ammonium for fertilizer or technical aid to Rhodesia in 1968, without a license as required by U.S. sanctions decreed in 1968.

U.S. District Judge Charles Bryant Jr. levied the largest penalty—\$100,000—against the Margas shipping firm.

The other company, Idi Management Inc. of Cincinnati, was ordered to pay \$20,000.

Canada Opens Power Project

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Man Married Before Starting 2 Life Terms

OAKLAND, Calif., June 18 (AP)—A 21-year-old man about to begin serving consecutive life terms for a double murder conviction was married yesterday by the judge who sentenced him.

John Junior Whittus married Deborah Elizabeth Brown, 20, in a three-minute ceremony in the chambers of Judge Raymond C. Staats.

After an embrace and a five-minute private talk, the couple parted, and Whittus was taken to a maximum-security cell while the tall, blonde bride returned to her job as a cashier-hostess.

Whittus was convicted of slaying a man and woman on a lonely road last Nov. 18. The prosecution said the victims were slain for \$5,000 they had brought to purchase narcotics.

Cheating Is Laid To 600 Students By Wisconsin U.

WASHINGTON, June 18 (WP)—The University of Wisconsin is holding up grades, transcripts of academic records and in some cases degrees from some 600 students suspected of submitting term papers they had bought from a commercial firm.

"Without question, this is the largest single action taken against students," said Paul Ginsberg, dean of students at Wisconsin. "I don't know of any other institution involved at this level."

In most cases of alleged plagiarism, it has been the instructor or professor who finds evidence from within the paper that it was prepared by someone other than the student submitting it.

But the Wisconsin attorney general had subpoenaed records of three firms that sell term papers—purportedly only for bibliography and reference purposes. Last week he turned the records of one firm, Academic Market Place, over to the university, which went through them for names of customers.

De Gensberg is in the process of sending all university students whose names appeared in the records a written notification that a "restrictive hold" has been placed on their official records.

The letter says that their purchase of a paper constitutes "prima facie evidence of an intent to violate the university's policy on academic dishonesty."

The student then has the opportunity to convince the university that he in fact did not submit a purchased paper.

French Red Paper Reducing Operations

PARIS, June 18 (Reuters)—The French Communist party newspaper L'Humanite Friday announced that it was reducing its staff, cutting down its printing operation and moving out of part of its premises here because of a financial crisis.

It said that even these measures would provide only brief respite from the crisis unless readership increased.

L'Humanite published a front-page appeal Friday for all Communists to subscribe to the newspaper. Editor Ehemann Pajon called the appeal a "distress call."

The newspaper prints 200,000 copies a day and sells about 160,000.

Castro at Baltic Port

BERLIN, June 18 (UPI)—Premier Fidel Castro of Cuba visited East German naval units at the Baltic port of Rostock today, the East German press agency said. He is on a two-month tour of Africa and Europe.

11 Die in Mexico Floods

MEXICO CITY, June 18 (Reuters)—Flash floods caused by heavy rains left 11 people dead and submerged the homes of 75,000 others on the northern outskirts of Mexico City, police said Friday. Thousands of people in the flood-stricken area slept on rooftops or were evacuated by police launches to emergency quarters last night.

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U.S. Pledges To Attempt to Desalt River

KEY BISCAYNE, Fla., June 18 (AP)—The United States agreed yesterday to try to cut down the salt content of water from the Colorado River sent into Mexico.

The United States also agreed to give \$15 million to Mexico to combat the illicit narcotics traffic and to undertake a study of the economic, social and political factors concerning migratory Mexican workers.

The agreements were outlined in a joint communiqué after two days of talks in Washington between President Nixon and Mexican President Luis Echeverria.

Ron Ziegler, White House press secretary, said the three-hour meetings between the two presidents were held "with a great degree of frankness and candor."

Mr. Ziegler said the United States will attempt to reduce the salinity of the Colorado River so that farmers in the Mexican Valley, who have decided to stop using water from the Wellton-Mohawk project for irrigation purposes, will have about the same quality of water as American farmers in the Imperial Valley.

Evaporation Leaves Salt

The water used for irrigation picks up its salinity from the fields. As it drains off into the Colorado River, some of the water evaporates, leaving a high salt content in the water that remains.

Mr. Ziegler said the United States plans to reroute another 60,000 acre feet of water, or approximately 123,925,700,000 gallons, from the Wellton-Mohawk irrigation project.

This would bring to 110,000 acre feet the amount of water that the United States will bypass annually from Wellton-Mohawk around the Imperial Valley dam.

To meet its 1944 treaty agreement with Mexico to supply 1.5 million acre feet of water from the Colorado River, the United States will pump fresh water from the Yuma Mesa water table into the Colorado.

An acre foot of water, the amount of water that would cover one acre of land to a depth of one foot, is 325,851 gallons.

U.S. Inaction

In a speech to a joint session of Congress Thursday, Mr. Echeverria denounced what he described as U.S. inaction on the problem and said the result has been poverty for thousands of Mexican farmers.

In the communiqué, President Nixon said it was his "sincere desire to find a definitive, equitable and just solution to this problem at the earliest possible time because of the importance both nations attach to this matter."

Mr. Nixon said he would name a special representative to begin work immediately to find a solution and that the representative would make a report to the President by the end of the year.

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Kirke L. Simpson, AP Winner Of Pulitzer, Its First Byliner

LOS GATOS, Calif., June 18 (AP)—Kirke L. Simpson, 60, a Pulitzer Prize winner in 1921 for his Associated Press story on the burial of World War I's Unknown Soldier, died here Friday.

His moving account of the burial was unsigned, as was the custom at the time, but editors of newspapers throughout the country were impressed enough to ask the writer's name. He became the first Associated Press reporter to have a byline.

The first few paragraphs of his story gave an indication of the quality that impressed readers at the time.

"Under the wide and starry skies of his own homeland, America's unknown dead from France sleeps tonight, a soldier home from the wars," he wrote.

"Alone, he lies in the narrow cell of stone that guards his body, but his soul has entered into the spirit that is America. Wherever liberty is held close in men's hearts, the honor and the glory and the pledge of high endeavor poured out over this nameless one of fame will be told and sung by Americans for all time."

Other notable stories by Mr. Simpson included breaking the news of Theodore Roosevelt's 1912 presidential bid and the Republican nomination of Warren G. Harding in 1920.

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Obituaries

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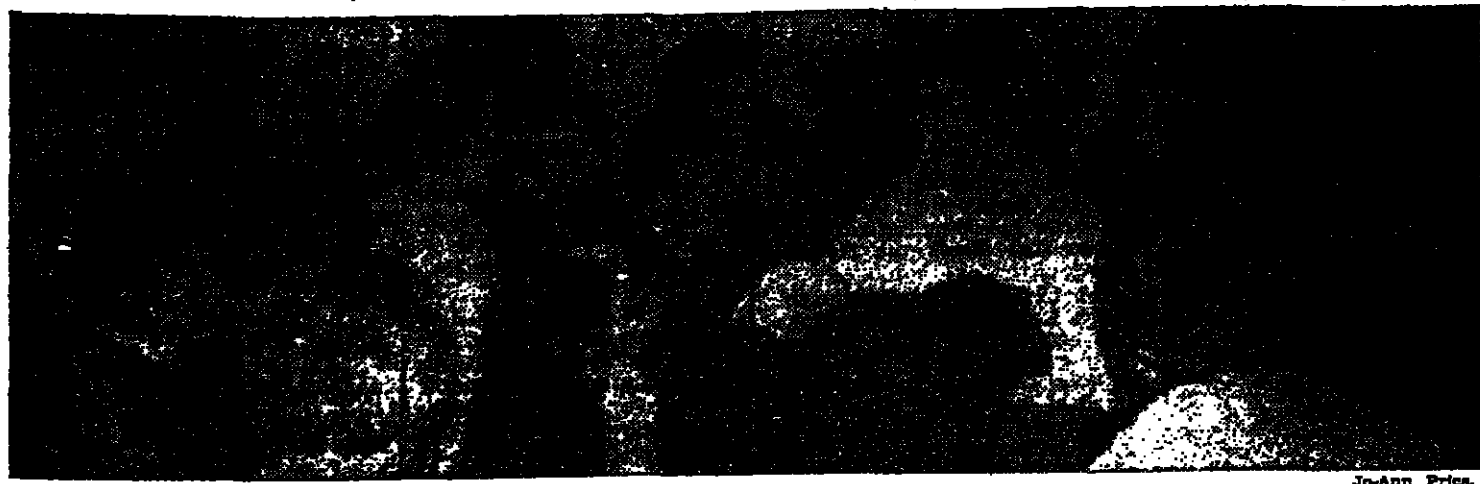
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Brother Roger, the prior, talks with visitors.

The Tent City of God on a Burgundy Hill

By Jo-Ann Price
TAIZÉ, France (WP).—It's quite astonishing. They like to pray—sometimes all night. A slender, 33-year-old French monk, Brother Charles Eugene, secretary of the Taizé community, spoke with amazement as he described how thousands of visitors—most of them under 30—have turned this peaceful Burgundian village into one of the most popular places in Europe for youths in search of a purpose.

Last year nearly 50,000 youths from 75 countries walked, hitchhiked, bicycled, drove, entrained, bused and flew towards Taizé. The town is just a few miles from medieval Cluny and its 12th-century abbey set in splendid hills.

Last Easter, 15,000 youngsters transformed the hilltop grounds of the Taizé brotherhood into a tent city eager to engage in creating a new "springtime" for the Christian church, a Christianity of peace and justice. At Pentecost, May 21, another 5,000 came.

Now Taizé, the real and spiritual home of 70 brothers—five Roman Catholics and the rest Protestants and members of the Eastern Orthodox Church—is alive with plans for a worldwide council of the young here in 1974, perhaps continuing for several years.

The arrival in increasing numbers since 1968 of thousands of

the young at the doors of the 12-year-old starkly modern Church of Reconciliation was "completely unforeseen" by Brother Roger, the prior, and his confreres. Last year the brothers dropped their family names and replaced them with the name "Taizé."

"If we had thought of this," said Brother Charles Eugene, "we would have picked a place closer to the streets, to trains and to airplanes when we began here."

"You ask me why the young come here" asks the prior, a 57-year-old Swiss who organized the community with three other brothers in 1944. Five years later they undertook a commitment to celibacy, community of goods and acceptance of authority according to a Benedictine rule.

"Certain things characterize the young," Brother Roger said. "They want to act in favor of man where he is a victim of man. They try to communicate—for the Christian, that becomes a search for communion."

Many Applicants

"I think my brothers have made this kind of communion credible to the young, through their poverty and through their engagement with men who are poor."

The history and events of Taizé have been punctuated with surprises and contrasts. Many of the youths say they would like

to be brothers and the community now has many more applicants than it can accept.

The real founding of the work here took place in 1940 when the prior, living alone at Taizé, began harboring refugees from Nazism until the Gestapo forced him to leave, in 1943. When he returned with the brothers, the 12th-century Catholic parish church in the village was made available for services to the Protestant monks. The man who signed the papers for this major ecumenical gesture in 1948 was Angelo Cardinal Roncalli, the papal nuncio to France and later Pope John XXIII.

In 1960, just as it was outlawing the parish church, the Taizé community was selected by German church leaders as a place for the construction of a new edifice as a "sign of reconciliation," Brother Charles Eugene said.

Most of the young men and women who have converged on Taizé in recent years care little about organized ecumenism. The white church, its silence, the relaxed atmosphere of discussion groups, the moving liturgical music of the monks singing the Taizé office three times a day are the reasons they are there. Some are simply curious.

"They want to be together in the church," Brother Charles Eugene said. "For some it is a silent search for God. For others

it is perhaps a search for a way out of the isolation of our civilization."

'And They Smile'

"They walk together, they speak together and they smile at each other," he continued. "Many of the young are very lonely."

"Then, too, they have a very strong desire for justice among men, for political action. Many say they feel themselves to be Christian and contemplative, and yet they find themselves agreeing with certain Marxist descriptions of society."

"These young people are very severe in their judgment of a church which seems to be tied to capitalism."

"They are not interested in the ancient history of ecumenism or in institutional structures. They are interested in Christ, God, faith, the Bible and even in a church as a fraternal community."

Explaining why they were at Taizé, a newlywed couple from Lyons said: "We want a new style of religion and we have time to reflect here."

On everyone's lips were the plans for the world youth council—how the young from poor countries could pay their transportation, how it would be promoted on various continents and what it might say about justice, politics and the reconciliation of Christians.

Podgorny, Kissinger Trips Revive Hopes for Peace in Washington

By Robert B. Sample Jr.
WASHINGTON (NYT).—The long hope for some sort of peace in Vietnam has grown as strong, both in and out of the Nixon administration, that the slightest hint of progress toward the evanescent goal instantly sparks eager speculation that a settlement may yet be within reach.

So it was last week when the Russians announced that President Nikolai Podgorny was on his way to Hanoi, and the administration announced that Henry A. Kissinger, the President's national security adviser, was going to Peking.

The administration flatly denied any pre-arranged connection between the two journeys. Yet the denials failed to inhibit speculation in a capital weary of war that a heads for the resumption of negotiations might soon be found—possibly this month—and that a major new round of diplomacy, secret or public, might be in the offing.

Mr. Kissinger left Andrews Air Force Base Friday morning, and after a stop in Hawaii to adjust to the time difference, will arrive in Shanghai late today. Mr. Podgorny, meanwhile, left Calcutta for Hanoi on Friday and spent the weekend in North Vietnam.

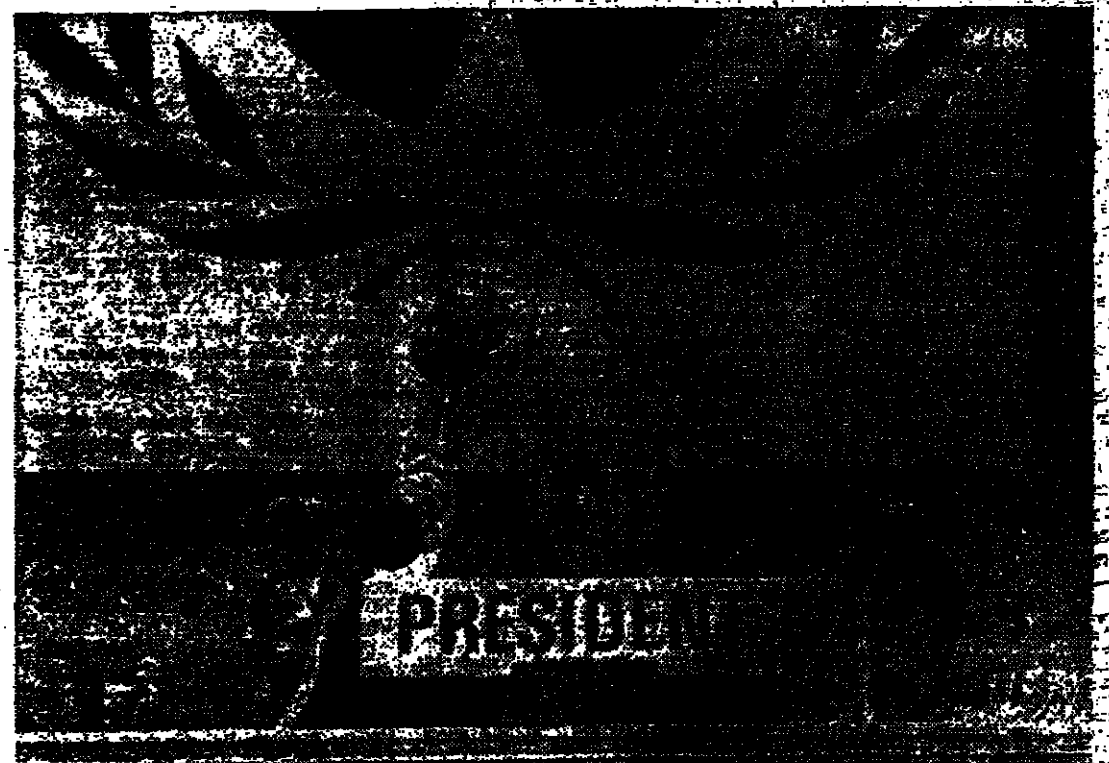
All in all, therefore, the absence of Kham Thuy and Le Duc Tho from Paris was viewed here as a hopeful sign. "There is not really much point now in guessing the Paris talks," one analyst said, "until both sides find out what happens in Peking and Hanoi. That is where the real action is, and when those talks are over we may get some movement in Paris."

It would be folly, of course, to read too much into the separate flight patterns of American, Soviet and North Vietnamese diplomats. Enormous obstacles to peace still remain. Mr. Nixon has shown no sign of making any changes in his basic offer to withdraw from Vietnam in exchange for prisoners, a cease-fire and a political settlement. Hanoi, on the other hand, still insists that we leave unilaterally and take President Nguyen Van Thieu with us. The fighting, meanwhile, seems to be going better for the South Vietnamese, but nobody here is saying that it is going so well that the North Vietnamese—after so many years of dedicated warfare—are now preparing to sue for peace.

Insufficient Influence
Finally, most American officials concede that neither Moscow nor Peking has sufficient influence on Hanoi to compel North Vietnam to take a course of action it does not wish to take.

But what intrigued some people here was the prospect that for one reason or another—perhaps their shared desire to improve relations with the United States—Kissinger and Podgorny's attitudes toward the war were now moving more closely into phase, and that together they might exercise some genuine influence on the North Vietnamese. Perhaps

was too much to hope for, officials here noted that the considerable provocation Nixon and his emissaries have been welcomed in the Communist capitals. The Soviet Union did not let the missing the North Vietnamese had interfere with the summit to similarly, the Chinese did allow the bombing near borders to ruin the summit. Moreover, 1972 is a political year. There are many here who believe that Mr. Nixon must win one or two more years to end a war he has been unable to end. George McGovern, of a more liberal persuasion, they read admiringly, more out of a sense of knowledge—Mr. Kissinger and Mr. Podgorny are the same cards now in Peking and Hanoi.



CARRIED—Ingemund Bengtsson rules on UN treaty declaration voted at Stockholm.

Turning Point at Stockholm

Accord on Preserving World

By Walter Sullivan
STOCKHOLM (NYT).—The charges, countercharges and debates were familiar to those who frequent such meetings, but there is new hope that the United Nations Conference on the Human Environment may mark a historic turning point.

For beneath the polemics ran a groundswell of unanimity. Most of the final decisions were made without a dissenting vote. It was as though the nations comprising the family of man had become aware, as never before, of the vulnerability of their planet and how essential it is that they work in concert to preserve it.

Not all members of the family were represented. Because the East Germans had been denied full representation, the Russians and their closest allies stayed away. But the decisions made here now must be ratified by the General Assembly in the fall, and so the Soviet bloc will have its say.

Protest Likely
The Russians are likely to protest decisions and commitments made without their participation, but they are unlikely, in the end, to stand in the way of a program so universally supported.

These were the major results of the conference:

- Approval of an "action program" involving about 200 recommendations in fields that range from monitoring climate change or oceanic pollution to promoting birth control and the preservation of the world's vanishing diversity of plants and animal species.
- The recommended establishment of administrative machinery to coordinate the worldwide environmental efforts of governments and international agencies, eliminating overlap and encouraging programs to fill the gaps.
- The approval of an environment fund to cover that part of the international effort not paid for by specialized agencies and national governments. Pledges made so far suggest that the fund will reach at least \$100 million, which has been considered the minimum requirement for the first five years of operation.
- Agreement after intensive negotiation on a declaration of agreed principles. To the end, however, the Chinese continued to object to its call for a halt in nuclear weapons testing.

While the ideological and economic differences that divide the world did not stand in the way of the basic actions, they emerged sharply in the debates—the U.S. role in Vietnam, South African apartheid, Brazilian plans for a giant dam that Argentina argues will curtail its water resources. Furthermore, with almost the entire "third world" represented, it was evident that the environmental concerns of developing nations are different from those of developed nations. They are concerned about their industrial and urban traffic fumes, and the impact of the nuclear age on the third world against the industrialized nations was a proposal by India and Libya for an international fund or trust institution be set up to provide "seed capital" to help developing countries improve their living and other aspects of their residential environment.

Third world easily pushed this plan, but the 15 nations voting against it were those of the best financial position for a part.

In one of its numerous acts the conference endorsed a "control proposal" submitted by Norway. It would have World Health Organization, other UN agencies increase family-planning assistance to governments "without delay."

A series of recommendations was aimed at fears that the adoption by farmers of state crops is perilously weakening "gene pools" upon which the term survival of such crops dependent. Where a single strain or group of strains is used over a wide area, the crops are vulnerable to sudden blights and which they have no defense against. It is in wild or semi-wild strains that the blight-resistant properties are found.

Political Uncertainties Cancel UN's World Map This Year

UNITED NATIONS, N.Y. (AP).—This year the United Nations is passing up publication of its map of the world. Among other reasons, the Chinese object to identification of Hong Kong and Macao as colonial territories.

In addition, the possible admission of East and West Germany as UN members next year raised the possibility that the map would have to include two Korean plus North and South Vietnam as separate, demarcated territories. Up to now, Germany, Korea and Vietnam have been shown as undivided entities.

The map, designed for students, has been distributed in English, French and Spanish. It usually is printed annually in May. The decision to withhold it was agreed to by Secretary-General Kurt Waldheim after talks presided over by his cabinet chief, C. V. Narasimhan, the undersecretary-general.

Mr. Narasimhan, reporting to colleagues, wrote that this General Assembly this fall is expected to make a decision on Chinese representations regarding Hong Kong and Macao.

China's Ambassador Huang Hua, in a letter March 8 to an assembly committee on colonialism, declared that the two areas

are part of Chinese territory occupied by the British and Portuguese authorities.

The committee has always listed Hong Kong and Macao as non-self-governing territories. "This is the way the map has shown them," Mr. Huang said.

Mr. Huang said settlement of the question is entirely within China's sovereign right, so the areas should not be included in the assembly's list of colonial territories.

On the divided countries, Mr. Narasimhan wrote: "The consensus was that... this would be a most inopportune time to produce a revised map showing the demarcation lines for North and South Korea and for North and South Vietnam."

Mr. Narasimhan made no mention of the two Germanys. He commented: "There was also the problem of how to show Taiwan. Should we just leave it blank without marking the name of the island?"

There was also a question of whether to use "Bangladesh" for an area which Pakistan still claims.

Mr. Narasimhan found no hint of requirement to issue the map every year, since it was done "only to assist interested students of international affairs."

Yet such strains are fast fading. Hence the committee has recommended that governments "initiate immediate emergency programs of exploration and collection of species" by the Food and Agriculture Organization as particularly needed. A global network of national and regional institutions would store seed and other genetic material and develop breeding programs.

To many organizations and other organizations came with the environment, watched from the sidelines—300 of them were represented—the conference was most potent for the change in global attitudes that it symbolized for what it did. Mary Mead, the anthropologist, tried to address the conference behalf of the nongovernmental organizations, said:

"This is a revolution in the fully comparable to the Chinese revolution by which centuries ago, men were called to revise their whole view of the earth's place in the world. They are challenged to recognize as great a change in the concept of man's place in the universe. Our survival depends on this new perspective. We must learn to live with it."

By MARY BLUME:

The Improvised Life of a Russian Poet

"To live is so great a miracle, how argue with those who never will? One could, I suppose, but what the hell?"

Voznesensky, "Ode."

PARIS.—Since 1961 the Russian poet Andrei Voznesensky has made four trips to the United States. He has also been to Europe and Australia. He has attracted vast American audiences and three volumes of his poems were published there in one year—enough to make any American poet choke on his trochees. He is admired, he communicates, he has lots of foreign friends. Still, he thinks at times that the differences between Russians and Americans are insuperable. In Russia, he says, blood and poetry are the same:

"Americans are surprised that we could die for a poem. They don't have that kind of fanaticism. In Russia, we have." Not that he intends to die: Voznesensky is vivacious, ebullient, affectionate, funny. He is slight and nimble, with pale blue eyes that don't miss a trick, delighted by anything he thinks avant-garde from the Crazy Horse Saloon to the chatter of New York intellectuals, and outraged by anything mechanical and inhuman:



"The world is not junk up for auction. I am Andrei, not just anyone. All progress is retrogression. If the process breaks man down."

Because of his leather jacket, wide travels and exuberant platform manner, Voznesensky is sometimes confused with the rather less subtle Yevgeny Yevtushenko. When introducing Voznesensky to editor-translator Patricia Blake, Yevtushenko charmingly remarked, "Here is a real poet. He hasn't made his reputation through sensation—like some people one knows." Ilya Ehrenburg said that Yevtushenko and Voznesensky are like two handsome boys that don't miss a trick, delighted by anything he thinks avant-garde from the Crazy Horse Saloon to the chatter of New York intellectuals, and outraged by anything mechanical and inhuman:

"The world is not junk up for auction. I am Andrei, not just anyone. All progress is retrogression. If the process breaks man down."

Poetry, he says, must be part of people's lives. "It is in Russia, it will be in America." The success of Allen Ginsberg and Bob Dylan is, he claims, a sign of changing times: "It is impossible to invent something that people don't need."

Voznesensky has criticized "Poetry/Ox" the useless, utilitarian kind" and in his "Parabolic Ballad" (translated by Auden) compared the parabolic-like soaring of the creative imagination to the plodding, short straight line the authorities demand:

"Laughing at law with its warnings and paragraphs
Art, love, and history race along
recklessly
Over a parabolic trajectory.
He is leaving tonight for Siberia.

A straight line after all is the shorter one actually."

Voznesensky's parabolas have been straightened out several times, most spectacularly in 1963 when Khrushchev launched his notorious attack on contemporary Soviet artists and writers. Voznesensky's reply (after he made it it was announced that he was spending time in factories near Vladimir) was a marvel of what he has called his absolute elusiveness:

"It has been said that... I must never forget the stern and severe words of Nikita Sergeyevich. I shall never forget them... He said: 'Work. I do not justify myself now. I simply wish to say that for me now the main thing is to work, work, work. What my attitude is to my country, to communism, what I am myself, this work will show.'"

Voznesensky and his wife live in Moscow. "Moscow," he says, "has terrible-style buildings and nice-style buildings; the people are nice and they are terrible. That's life. Moscow is full of life and blood and energy. Leningrad is a cool museum, it's in too-perfect taste. It is impossible to live there."

He has, however, been spending time in Leningrad where his new book of poems is being printed by the same house that is publishing the long-awaited, incomplete edition of Mandelstam's poems.

"I know my new works are better than before," Voznesensky says. "They are not the same." When in Leningrad he gave a poetry reading to the printers.

"Your book is like your child," he says. "You need to do everything to make a better life for it. If you read to the printers, they feel your poetry and then they make it faster and better."

In Russia Voznesensky has read to crowds of 14,000 and has seen 600,000 copies of a new volume of poems sold before printing. He is now more interested in smaller readings and in a more private life ("It's a very difficult life being a poet," he has said, "like going to bed on TV with everyone looking"). He does not like the old, grandiose idea of the poet as prophet:

"This idea is very stupid. We know Hitler and people ambitious to be prophets. I think all mankind can make answers and be prophets. All one can really do is provoke."

He is working on poems in English (he has translated Robert Lowell into Russian) and has a title he is crazy about: "Applepie" (apple pie plus apocalypse). His English is so good because his English teacher at school was the first woman in his life. "School was like a novel because all schools are like good novels," he says. He wrote a poem about the affair and read it on Russian TV for Teachers' Day. As a result he was banned from Russian TV.

Voznesensky recently wrote an oratorio, which was performed with a huge orchestra and chorus with himself belting against them ("I won," he beams). He hopes to direct a film and to return next spring to France, where he gave a reading and bored himself silly as a juror at the Nice Book Fair, and do a sort of revue with poems, songs and pantomime. "I think pantomime is best with poetry because each spectator can find his own meaning," he says.

But these are more hopes than plans. "It is not possible, it is not economic to plan," Voznesensky says. "It is possible only to improvise. If you plan you are static. I only know that tomorrow I shall write better—a cheerfully ironic laugh—"at least for myself."

Eurobonds

Texaco Pulls \$80 Million Issue; Little Slack in New Convertibles

By Carl Gewirtz

PARIS, June 18 (HRT)—The big \$80 million straight debt offering from Texaco was withdrawn last week—a relief to a market creaking under the weight of a very heavy calendar and a sign that rates are hardening.

Morgan & Co., managers of the issue, which was divided between five-year notes and 15-year bonds, would say only that it was "temporarily postponed and expected to be rescheduled in July."

However, the word elsewhere was that Texaco was driving a very hard bargain. It was noted, for example, that Texaco was not going to pay the legal expenses of the managers, expenses which are always almost assumed by the issuer—and that it was insisting on the most favorable possible terms. That is, that both loans be issued at par with coupons of 7 1/2 percent for the bonds and 7 1/4 percent for the notes.

And these were terms that the market would not accept. Among the recent issues on the secondary market, Carrier 8s were quoted at 98 1/2, 100 1/2 on the week; Fisons 8 1/4s were at 99, off 1/2; Ashland 8s were at 98, compared with its week-earlier issue price of 99 1/4, and Outboard 8s were at 98 1/4, compared with an issue price of 99.

Thus, the yield the market is willing to accept on long-term dollar debt is well over 8 percent and is not willing to make any large allowance for the fact that Texaco is a triple-A credit-rated company. Most commentators are agreed that in a good market, investors are willing to accept less sweet terms from a top-rated borrower. But in the present near-stagnant atmosphere, no need or desire for concession.

In fact, some bankers question

why there should be as large a difference as there is, adding that the rating system applies only to U.S. companies with only few European borrowers—Shell, for example—getting the favored treatment. The \$80 million offering from SAS, which has the backing and guarantee of its three Scandinavian government owners, was priced at 98 1/2 with a coupon of 8 percent and, although not free to trade by week's end, there were indicated quotes of 97 1/2. "Surely the guarantee of three governments can't make this loan more of a risk than Texaco," one banker stated.

For the Texaco notes, one dealer questioned who would be interested in a 7 1/4 percent return when a Morgan Guaranty five-year dollar certificate of deposit in London is yielding 7 5/8 percent.

All in all, there were no tears and many signs of relief at the withdrawal of the Texaco issue. The straight debt dollar calendar completely bare. The \$35 million offering from Swiss Aluminium's Australian subsidiary was priced last week at 98 1/2 with an 8 percent coupon and Guardian Royal's \$30 million issue at 98 3/4.

However, the convertible sector shows little slackening and a notable decline of quality in a very name conscious market. Southland Corp., a Dallas-based convenience food company, is offering \$35 million of 15-year bonds expected with a coupon of 5 percent and a conversion price into the common stock at some 12 percent above the current New York Stock Exchange quote.

There were two convertibles, priced both at par as usual, last week. J.P. Morgan's \$50 million issue

Economic Indicators
WEEKLY COMPARISONS

	Latest Week	Prior Week	1971
June 11	June 4	June 12	
Commodity index.....	119.5	119.5	108.2
Currency in circ.....	\$61,944,000	\$61,932,000	\$58,078,000
Total Loans.....	\$87,152,000	\$87,436,000	\$83,612,000
Steel prod (tons).....	2,435,000	2,637,000	2,737,000
Auto production.....	187,074	191,429	185,795
Daily oil prod (bbls).....	9,853,000	9,880,000	9,752,000
Freight car loadings.....	477,952	477,952
Electric Pow. kw-hr.....	33,901,000	31,826,000
Business Failures.....	175	139	193

Statistics for commercial agricultural loans, carloadings, steel, oil, electric power and business failures are for the preceding week and latest available.

MONTHLY COMPARISONS

	May	Prior Month	1971
Employed.....	81,394,000	81,205,000	78,430,000
Unemployed.....	5,892,000	5,979,000	5,158,000
Industrial production.....	100.9	100.9	100.2
Personal income.....	\$989,700,000	\$985,600,000	\$843,200,000
Money supply.....	\$238,000,000	\$238,000,000	\$238,000,000
Consumer Price Index.....	124.3	124.3	124.2
Mfrs. Inventories.....	\$101,000,000	\$101,240,000	\$100,420,000
Exports.....	\$3,750,000	\$3,750,000	\$3,821,000
Imports.....	\$4,450,000	\$4,450,000	\$3,753,000
Construction Contracts.....	159	155	142

*000 omitted. Figures subject to revision by source.

Commodity index, based on 1967=100, the consumers price index, based on 1967=100, and employment figures are compiled by the Bureau of Labor Statistics. Industrial production is Federal Reserve Board's adjusted index of 1967=100. Imports and exports are compiled by the Department of Commerce. Money supply is total currency outside banks and demand deposits adjusted as reported by Federal Reserve Board. Business failures compiled by the F. W. Dodge Division, McGraw-Hill Information Systems Company.

was fixed with a 14.58 percent conversion premium and a 4 1/4 percent coupon. Gervais-Danone, the first French Eurofranc convertible, came out with a 100 million franc offering with a 5 percent coupon and a conversion premium of 7.65 percent.

The prices of most recent convertibles slipped last week, along with the downtrend in New York.

Nevertheless, demand for bonds that are convertible into common stock continues to run high, a reflection of how much more optimistic Europeans are about the New York outlook than U.S. investors are.

Broadway-Hale was the weakest of the recent issues, quoted at 97 3/4 offered 98 3/4 bid. Gen (Continued on Page 12, Col. 3)

New York Stock Market Gains Moderately
As Half-Year Review of Economy Is Confident

By Thomas E. Mullaney

NEW YORK, June 18 (NYT)—With the first half of 1972 virtually over, many business analysts are again reviewing the economy and how their year-end predictions for it have panned out so far. On both scores, the track record is quite good.

In general, the economy's performance this year has actually evolved slightly better than the very optimistic forecasts of last fall. There is little—if anything—in the picture to suggest that the consensus forecast will not be achieved. That realization, plus another batch of favorable economic statistics, helped propel the stock market to moderate gains last week.

At the year's end, the general view was that a gain of close to \$100 billion—9 to 10 percent—was likely for the gross national product in 1972. Then, in the early winter, some economists began to waver a bit in their optimism and reduced their sights to the \$85-billion zone. But most of them have since become more confident and some have even raised their original predictions for the year's expected gain to the area of \$105 billion.

That does not suggest that the present situation is devoid of any major problems. There is certainly concern about the stubbornness of high unemployment and the continued elevation of the industrial price level, particularly with respect to heat and other fuels. But inflation and a growing federal budget deficit, with all of its implications for fiscal and monetary policy, may have to be tolerated later this year and next.

Saul B. Kianian, banking economist and president of the National Association of Business Economists, perceived both good

news and bad news in the first-half record of the economy.

He listed the good news as "real growth slightly better than expected; clear signs of abatement in inflation; sharply rising employment; strong expansion in capital spending; and consumers starting to spend more briskly."

Mr. Kianian said the bad news included: "Failure of the unemployment rate to drop; disappointing performance in productivity; continued uncertainty over

the future of the international monetary system and the large trade deficit."

The last week turned up mostly favorable news on the economic front, with industrial production, personal income, auto sales and housing all registering gains.

The most encouraging news was the report on industrial production for May, disclosing an advance for the ninth consecutive month. Output of the nation's mines and factories last

month rose five-tenths of 1 percent, putting the Federal Reserve Board's index at 111.5 percent of the 1957 base. It is now close to the pre-recession peak of 111.9 established in the late summer of 1969, a key evidence of the strong recovery that has been under way in the economy.

The one adverse element in the week's developments was the further deterioration in the nation's balance of international payments during the first quarter. The "basic" deficit on current account and long-term capital in that period widened to \$3.4 billion from \$1.8 billion in the fourth quarter of last year.

While the stock market was reversing its recent trend, the bond market made an attempt to do the same but did not succeed. Faced with heavy financing calendars for the first time in several weeks, the bond market saw prices retreat further at the start of the week and then turn steady before declining again.

Although the stock market closed thoroughly mixed for the week, all of the leading stock averages showed moderate gains in somewhat more active trading. There were 897 issues on the New York Stock Exchange that scored gains, while 833 sustained losses and 219 closed unchanged. A total of 92 stocks reached new highs for the year, while 391 touched new lows.

The Dow Jones Industrial stock average advanced 10.61 points for the week, closing at 945.00; the New York Times composite average of 50 stocks rose 11.32 to 614.19; the Standard & Poor's 600-stock index gained 1.50 to 108.36, and the stock exchange composite was up 0.89 to 60.04.

Turnover on the Big Board increased to 77.3 million shares from 71.2 million the week before.

Amex and Over-Counter

By Elizabeth M. Fowler

NEW YORK, June 18 (NYT)—The most interesting development last week on the American Stock Exchange was a resurgence of trading in blocks, an indication that institutional buyers were in the market. The number of blocks totaled 79 versus 67 the previous week.

The American Stock Exchange index inched ahead for the week, closing at 27.50, up 0.05, and much the same trend was evident in the over-the-counter market. The NASDAQ industrial index ended at 140.87, compared with 140.15.

The week's big movers included Gulfstream Land Development, strong because of the recent split and earnings outlook. It gained 1 1/2, closing at 47 3/4. Foodco Systems, a restaurant chain, added 1 1/2 points to end at 61 1/2. Another good gainer was Veto Offshore, in the oil exploration business, which added 5 3/8 to close at 52.

In the previous week, companies associated even indirectly with the Wankel engine showed large gains. In the last week, enough profit-taking entered to cut some of the gains, along with a little disillusionment that generally follows a period of over speculation in a single stock or group of stocks.

For example, American Israel Paper Mills was the most active traded, with 681,600 shares. However, it closed the week at 14 1/4, compared with 15 3/8 a week ago. During the recent rush to buy the stock, it rose sharply in a period of about 10 days from 6 3/4.

One unusual disclosure came from Ketchum & Co., distributor of chemicals and toys and maker of chemicals. The company said that it had discovered an inventory discrepancy at its Ketchum Laboratories Division big enough to offset much of the company's fourth-quarter operating profit. Its year ends April 30. During the week the stock dropped from 16 on Friday a week ago to 12 7/8 this Friday.

Over-Counter Market

NEW YORK (AP)—Weekly Over-Counter listings giving the high, low and last bid prices for the week with the bid prices. All securities supplied by the National Association of Securities Dealers are not actual quotations but are representative of the market at which these securities could have been sold. Prices do not include retail markups, markdowns or commissions.

Sales supplied by NASD.

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New International Outlook

Paris Plans Growing Role in the Common Market and the World

Bankers Look Forward To Expanded Horizons

PARIS.—There is a new dynamism in the French banking industry as it braces for the widening of the Common Market by multiplying contacts and links throughout the community and the four other countries joining the Six at the end of this year.

French bankers have learned the lesson of competition and are ready for the new, tougher international climate. Since the mid-1960s they have been bolstering and streamlining the industry through a series of mergers. There are now fewer, but stronger units. Like banks abroad, they are diversifying services. The tendency is toward multipurpose or "universal" banking.

The French banking community has thus taken up the challenge of the Common Market, set up in 1958, the emergence of multinational companies over the last decade or so, and the growing involvement in Europe of American banks, which has greatly contributed to a more competitive climate.

But the initial driving force behind the upsurge of activity in French banking was probably France's own needs—the new requirements of a fast-growing economy. This called for a variety of new forms of financing, some of them practically unknown in France only a decade ago.

The country's steadily expanding trade played a major role. The banks have extended their network of cooperation and representation across the world. They are continuing to do so.

The new international outlook of French banking has its corollary in the more aggressive style of the new generation of French industry's general managers. The "Hexagon"—France—has become too small for its bankers as well as for its exporters.

Those who want to expand look beyond the borders—most of the time, far beyond the boundaries of Europe.

A bank executive in his early 40s, who frequently flies to London, Frankfurt or New York for business huddles, said:

"French banks have indeed become much more active and aggressive in their foreign dealings."

This is a parallel to the sharp increase in the export propensity of the French manufacturing industry. But while they sell goods, we offer services. That's what we export when we arrange financing for overseas projects. The money we earn does help the balance of payments—even if this sort of trade is called "invisible."

What is visible is that on the domestic level the process of concentration in the banking industry has resulted in the emergence of fewer but more competitive units grouped around the "big three" nationalized deposit banks—the Banque Nationale de Paris (BNP), the Crédit Lyonnais and the Société Générale.

An American business magazine's 1970 world list of banks ranks the BNP in seventh position, behind four American and two British banks.

While the three nationalized French banks are acknowledged to have a dominant position in the domestic market, there is still ample scope for private enterprise.

Private French banking has increasingly been organized around two main poles—one of them involving the BNP financial group.

French banks, whether nationalized or private, are even more increasingly and actively expanding their networks of branches, subsidiaries and representation abroad, frequently through agreements with foreign partners or by buying into foreign banks.

They are increasingly active in international finance, the Euro-markets and export financing. Their executives no longer sit quietly behind their desks in Paris waiting for business to fall into their laps. They are eager to compete, and they can draw on considerable experience and resources.

In short, they are poised for the entry of the City of London into the Common Market.

Despite the clouds still hanging over the world monetary horizons, the mood in the French banking community these days is one of confidence and cautious optimism.

The French economy continues



to expand at a rate which private French analysts consider highly satisfactory. And the country's foreign trade position is unquestionably healthy.

The fears of a possible slowdown or general recession caused by last year's monetary crisis and the dramatic steps taken by President Nixon in August have disappeared with the return of uneasy calm to the foreign exchanges after last December's Washington monetary realignment.

Domestic Price Rise Is a Principal Concern

On the domestic front, rising prices are the main concern. And investments could certainly be higher. Some experts say consumer demand plays an excessive role in sustaining growth at present. But investments have in fact increased by 30 percent in three years and Prime Minister Jacques Chaban-Delmas says France has the "blue ribbon" in Europe in this field.

"And the price increases are not sharper in France than in other, neighboring countries," says one analyst. Reflecting views widely shared in banking circles, he points out that the biggest potential danger to the French economy—and European economies as a whole—is the unsettled state of world payments.

The recent leap in the "free market" price of gold has been a new reminder of this danger, which will loom in the background until lasting peace and stable conditions have been restored in international payments.

For this reason, the French banking community welcomes the progress achieved by the present members of the Common Market and their prospective partners toward a common position on monetary problems. The six founding members of the European Economic Community and the four countries which are to join them at the end of the year—Britain, Denmark, Ireland and Norway—made a first step toward implementing plans for economic and monetary union when they agreed a few weeks ago to narrow the bands of fluctuation between their currencies.

If they manage to form a common front—perhaps at the ten-nation EEC summit meeting

planned for next October in Paris—their bargaining position will undoubtedly be much stronger when negotiations finally get under way on monetary reform.

Against this background of continued domestic growth coupled with inflationary pressures and international uncertainties, French banks have reported strikingly good results for 1971. Net profits of the "big three" nationalized banks rose on average by 17 percent. Some private banks reported even better performances.

The balance sheets of the top 20 banks—according to a recent unofficial listing—showed an increase of 22 percent over the 1970 figures, helped in part by high interest rates and an increase in foreign-exchange transactions linked with the monetary crisis.

However, this was less than the increase recorded the year before—some 30 percent. Pre-tax profit margins were narrower due to higher costs and sharper competition. But, then, 1970 was by any standards an exceptionally good year for French banking.

The total deposits reported by French banks for 1971 were about 285 billion francs, an increase of 56 billion or 24 percent over the 1970 figure. This was an indication that the deposit banks have been successful in their efforts to streamline the industry over the past five years. Their rivals in the hunt for Frenchmen's money, the savings banks and similar institutions, reported an increase of only 17 percent. Their share was 133 billion francs in deposits.

Long-Term Plans Cut Liquidity of Deposits

One noteworthy feature was that deposits became less liquid last year—53 percent being tied down in the longer-term plans, compared with 30 percent one year earlier.

The avowed confidence of French bankers has been bolstered recently by confirmation that France's actively brisk growth will continue at least until the end of this year.

The renewed interest by foreign investors in French stocks and bonds is another sign of confidence.

The easing of the foreign-exchange controls at the beginning

of the year has no doubt also contributed to the better mood. The 1971 results showed that the banks managed to do well in spite of the monetary upheavals of last year, which prompted the French government to impose stringent foreign-exchange controls, including creation of a two-tier foreign exchange market, to ward off unwanted inflows of hot money.

But competition became sharper than ever, and the banks continued their process of concentration and modernization of the industry, coupled with expansion beyond France's borders.

Competition Brings Increase in Services

On the domestic front, banks have to do more now to attract savings. The more competitive climate has resulted in a broad diversification of the services offered both to industrial and commercial clients and to individuals.

The evolution toward a more "universal" approach in banking has led some banks to set up or take over specialized finance companies.

Hand in hand with the modernization, there has been an extensive concentration movement which has contributed greatly to the more dynamic outlook of French banking.

The concentration process began in 1966 with the merger that produced the BNP, the largest of the French nationalized banks.

At the same time, the government introduced new banking legislation.

The competition for deposits is sharper in France than in many other countries because of the strong position of the national savings banks and the agricultural credit institutions, which offer banking facilities to the rural populations. They have altogether 11,000 tellers' counters throughout France. Another factor of competition is the postal check system, run through some 20,000 post offices.

After the introduction of a new banking code in 1968, banks were again allowed to open new windows without special authorization, and they launched a race to find new clients and increase their deposits. More than 2,000 new tellers' counters have been

set up during the past five years. There are now over 7,300 in France.

BNP opened 140 new permanent branches last year and now has over 1,300. The bank, with a staff of about 37,000, has some three million accounts at present and has recently made a big effort to streamline its work—by means of computer centers set up in Paris, Lyons and Bordeaux. It has been turned into a "truly universal bank" and its recent domestic policies have been based on decentralization.

The 112-year-old Crédit Industriel et Commercial (CIC), which tops the list of private deposit banks, is increasing its network of counters at a rate of some 50 a year. It now has 1,300 throughout the country. Started as a clearing bank in the Paris area, it now acts as a holding company for 13 regional banks in which the parent group has a stake.

Several former banques d'affaires (merchant banks) took advantage of the 1968 changes in the banking code to convert themselves into deposit banks. One of them is the Banque de l'Ordon Parisienne (BOUF). In 1967 they had branches in the main French business centers, but since then they have developed a network of about 200 counters, partly by taking a majority stake in several local banks which have retained their names in order to preserve their local position and their clients. In the Paris area, they have 32 counters, most of them set up quite recently.

The Banque Rothschild is yet another newcomer among the deposit banks—a category it joined five years ago. The bank has a dozen branches in the Paris region and others in main industrial centers outside the nation's capital.

Some bankers question the profitability of the race to set up new counters. It may be justified in many cases because of new urban-development projects, the shift of populations to suburban areas and the increase in the number of clients in densely populated areas—and because small private deposits are very stable. But it is a costly affair, which has no doubt helped to reduce the margins of profits.

Banks last year accounted for 65.9 percent of the total of deposits—the private banks'

share was 74.2—while the savings institutions took the remaining 34.1 percent.

The fight for deposits also takes the form of bids to please industrial and private clients by offering a steadily wider range of services. Banks which did not really bother in the past have had to get into "retailing."

Because of the increasing complexity of life in a modern society, the banks have more and more begun to play a "family doctor" role in the management of money—"We help you with your money—from 100 to 100,000 francs," says one ad.

The Role of Banks Changed After WWII

After World War II, the main role of banks was still largely to grant fairly short-term industrial and commercial credits and to manage the fortunes of wealthy families.

Since then, France has been going through a process of radical change. Frenchmen have become "consumers," they export more goods and services than ever before and they develop infrastructure, build more new homes and travel more than at any time in the past.

The result of this has been a huge growth of new forms of credit—consumer credit, personal credit, mortgage and housing development credit as well as leasing of property and equipment.

This development has coincided with the powerful modernization drive in French industry in the 1960s—the first years after the Common Market was established in 1958. As of that date, the French knew that their borders would no longer protect them against foreign competition, and industrialists acted accordingly.

Banks are at the center of business and could not stay aloof from this evolution.

The bankers have in this respect shown extraordinary ability to innovate, adjust to change and transform the structure of the industry.

Banks are now offering credit systems for vacations, travel and a wide range of other forms of personal assistance. They will readily make sure that your

electricity, gas and telephone bills are paid promptly when they fall due.

"French banks for a long time ignored individual credit and were concentrating on industry and commerce," explains Jean-Paul Delavertine, president of CIO. "But now they also offer specialized services to private clients. We were the first to launch an automatic system which permitted clients to put aside money regularly in a savings account to pay their income tax. If they hadn't saved enough, we would grant a loan for the balance."

The Finance Ministry has now introduced a similar system of monthly payment of income tax on a trial basis in the Paris area.

Some banks offer their clients daily statements, others have established automatic systems enabling clients to draw cash from their accounts by inserting a special card into an automatic teller machine outside of office hours. Other banks have set up drive-in counters.

Industrial clients benefit from such systems as factoring and leasing. And banks are increasingly taking a stake in industrial and commercial firms—a development that has blossomed since the 1968 reform.

But some industrialists are not quite happy with the trend toward "universal" banking. They feel it has recently been too consumer-oriented, and believe that industrial investments might suffer in the long run.

Specialized finance companies and institutions during the first two decades after World War II dominated such sectors of credit as hire-purchase and housing loans. Many banks have worked out their own plans in these fields, although the specialized companies are still going strong.

Ten years ago, a Paris real estate group set up a specialized bank, the Banque de la Construction et des Travaux Publics (BCT). It operates as an autonomous unit and is registered as a deposit bank, but specializes in real estate and construction financing. The reason for the specialization is that this is a particularly complicated field which requires thorough technical expertise. The BCT therefore

Continued on Page 9, Col. 3

Some men are born builders

The BCT-Banque de la Construction et des Travaux Publics is specially designed to help them.

The exclusive speciality of the BCT is solving the financial problems of construction.

The BCT can provide credit for real estate developers, building and public works firms as well as for the building programmes of industrial and commercial concerns.

The BCT also provides personal mortgages. A 290% increase in only five years brought the total credits handled by the BCT to Frs. 3,928 millions in 1971.

The BCT is not alone...

It is part of the IGP group—Immobilier-Constructeurs de Paris—which manages the 60,000 lodgings it has built in the last forty years.

The IGP group also includes the SIIF—Société Internationale d'Etudes et d'Investissements Immobiliers en France, created in 1970 with as principal shareholders:

Samuel Montagu.
Crédit Suisse
Banca Commerciale Italiana
First National City Bank
Frankfurter Hypothekbank.

A young and dynamic company, the SIIF aims to facilitate foreign investments and transactions on the French property market.

Already, the SIIF has proved its efficiency in opening the way for foreign investors to an area where returns remain among the highest in Europe.

You too, may be interested in French Real Estate.

Then contact
Charles Delamaze,
General Manager BCT, Chairman SIIF,
or John Blaustein
Foreign Relations Department SIIF.

BCT 2, place de Rio de Janeiro - Paris 8e
SIIF Tel. 292 22 11.

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Deposits in France: \$13,000 million.
Consolidated Balance Sheets (Dec. 31, 1971): \$16,750 million.

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Do of French Banking in 1972

GNP Rise at 5 Pct.

The Economy Continues Great Leap Forward

PARIS—The day when France was among the leading countries for the "Six Man of Steel" are gone with the tide of economic progress and growth of political stability in this country over the past decade.

In 1960, when the French were rebuilding their country—the second time since the end of the century—the nation's national product (GNP) was at the level of 100 billion francs.

Some 22 years and the of an empire later, the GNP will exceed 1,000 francs—a tenfold growth in 1970.

From 1960 to 1970, GNP rose by 5 percent in France, while the average of the six Common Market countries was 3.4 percent.

French Finance Ministry has revised upward its forecast for this year. It expects a growth of 5.3 percent in the light of the latest economic indicators.

Unemployment has been a factor in recent French economic history. But even the steadily rising prices since 1960 have not been enough to drive the economy into a recession.

Some economists believe for the first time in the history of the French economy, the unemployment situation has improved during this period.

the number of Frenchmen leaving the land to enter industry. This has given the country a major manpower reserve—swelled by workers from the country's former colonies.

With the growth and strengthening of French industry has come a renaissance of old French protectionist attitudes—a development which not even the French could have imagined would take place.

Half of France's foreign trade today is with its Common Market partners—i.e., duty-free. This has further spurred French industry, encouraging its competition with manufacturers in the five other member-nations. The competitive stimulus has been a beneficial one.

The French may now be asking questions about where the growth is directed, but the prevailing mood is such that no one expects anything like an abrupt downturn. There are too many Frenchmen who feel that they have not had their fair share in the prosperity generated over the past 20 years and they want a piece of the action.

Since 1971, there have been two areas of economic concern in France—rising prices and unemployment. Six months ago, the price situation seemed less worrisome than it did this spring. Even so, prices have continued to rise recently. On the other hand, the unemployment situation has improved during this period.

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'The French were inward-looking but they have now opened themselves up toward the entire world.'



Paris Plans Growing Role in EEC and World

Continued from Page 8

has a whole team of engineers and training programs for members of its mixed staff of bankers and technicians.

An exception to this general landscape of "universal" banking, the ECT formula has worked so well that the bank is now setting up a subsidiary in Belgium in cooperation with the National Confederation of the Belgian Construction Industry.

The new services offered French investors include, of course, mutual funds.

Many banks have set up SICAVs—investment companies with variable capital—since the end of the 1960s. The BNP has three of them.

Bank of Rothschild established its Rothschild Expansion Fund in 1969 through direct sales, and its assets now total \$150 million.

The SICAV has turned out to be a major instrument of collecting funds from small investors who want to place their money safely.

The increased concentration in the French banking industry is a major element in the quiet revolution that was sparked when the government encouraged the merger of BNCF and CNEP, two of the state-owned clearing banks, in 1966. The authorities' motivation was to give a boost to competition because they felt stronger structures were needed with the growth of the Common Market. They certainly succeeded.

The four main clearing banks had been nationalized in 1945. At the time, the main concern of successive governments was to mobilize all available resources to rebuild the country and to reactivate the economy after the war. The change of ownership did not affect the banks' organization or their activities. But the move probably inhibited for a decade or two the growth of private banking, according to one expert.

The traditional system in France was based on a division of work between the clearing or deposit banks and the banques d'affaires or merchant banks; this division was maintained formally after 1966, but differences between the two have now been reduced to a mere legal distinction, says deputy director Jean Savaux of the Banque Worms, the second-ranking private banque d'affaires.

Since 1966, the deposit banks have been authorized to buy up to 20 percent of the shares of industrial and commercial firms. This has greatly encouraged them to invest in industry. In practice, the 20-percent limit is only a partial curb on expansion, since many deposit banks are backed up by financial holdings which are practically free to invest as they like.

The wave of mergers set off in 1966 has resulted in the disappearance of several medium-sized banks over the past five years. At the end of 1965, 317 banks were registered. The figure had shrunk to 301 by the end

of 1970, despite the fact that 15 foreign banks, mostly American, had set up house in Paris, and that 14 new medium and long-term banks had been established since 1966.

One of the largest of the French private finance groups is the Cie Financière de Suez et de l'Union Parisienne, which was formed from the merger of the Suez Canal Company and the Parisienne.

The most significant event on the French banking front last year was the final settlement of a long battle that the Suez group waged with a rival for control of the Crédit Industriel et Commercial and its large network of branches. The outcome of the five-year struggle was that the Suez organization's rival, which had 31 percent of the CIC shares, transferred most of it (28.5 percent) to Suez in exchange for a controlling stake of 80 percent in the Banque de l'Union Parisienne (BUP), which has over 180 branches throughout the country.

There is a new generation of French bank executives with a more international outlook. Many of them have studied abroad. They spend part of their time in airlines, commuting between Paris and other financial centers. They have no problems with language. In the past, foreign businessmen without fluency in French sometimes found it hard to work with French firms.

The "internationalization" of French banking has resulted in an increasingly dense network of connections with banks abroad. The approach is usually pragmatic, and it is hard to say how the picture will look a few years from now, said one expert.

But the trend is clearly toward intensified foreign linkups—partly to meet the competition from American banks seeking to build up worldwide networks.

The enlargement of the Common Market seems to be the main factor, however. If the EEC countries agree one day on common legislation about companies and at the same time harmonize taxes inside the community, the door will be open for genuine multinational banking, according to one banker. Agreement among EEC countries on a common currency would hasten such an evolution.

Imminently Attainable Is Immediate Focus

But that stage is still far away. Bankers now concentrate on practical and immediately obtainable possibilities. In some cases, they concentrate on consolidating further and expanding their network of subsidiaries, representative offices and connections with "friendly banks" abroad.

So far there is little talk of any cross-border mergers. A recent example of the new-style cooperation is the creation of the Alpha group, officially in operation since last January, by the Crédit Commercial de France and five other private banks from EEC countries—Banco Ambrosiano of Italy, Nederlandsche Middenstandsbank of Holland, Kredietbank of Brussels, Williams and Glyn's of London and the Berliner Handels-Gesellschaft-Frankfurter Bank of West Germany.

An official of the Crédit Commercial de France says the six partners have set up a joint secretariat and several working parties which are studying ways in which they can intensify their cooperation. As a first concrete move, they are setting up an Alpha trade office in Singapore. "We do not rule out the possibility of a future merger," he said.

BNP last year associated itself with the Dutch Algemene Bank Nederland, the Belgian Banque de Bruxelles, the Dresdner Bank and the Bayerische Hypotheken und Wechselbank with a view to close cooperation on the develop-

ment of international operations. The Banque Rothschild has extensive links with half a dozen European banks, including N.M. Rothschild and Sons of London, and three American banks—the National City Bank of Cleveland, the First National City Bank of Houston and the Seattle First National Bank.

The group in 1969 set up a London-based subsidiary, Rothschild International.

In Paris, the Banque de l'Union Européenne, the FIDIC and eight foreign banks three years ago established a "long and medium-term credit bank" registered as a foreign bank under the name Interunion Banque.

Shareholders include Martine Midland Overseas Corp. of New York and the Nassau-based Royal Bank of Canada International Ltd., Hambro International NV of Amsterdam and Belgian, West German, Swiss and Italian banks. Interunion provides tailor-made credit and operates in both the medium and long-term Eurocurrency market as well as in the bond trading market. The shareholders bring business to Interunion which they cannot easily handle themselves.

Bank Occidentale pour le Commerce et l'Industrie is an example of a French banque d'affaires with close links abroad. The parent company is the Générale Occidentale, a financial group with major interests in Britain, Holland and West Germany. But two American banks—the Central National Bank of Cleveland and the Union Bank of Los Angeles—each have a 10-percent stake in the capital of the Banque Occidentale. This institution, involved in the whole range of merchant bank activities, has a special interest for East-West trade and has joined hands with a Polish bank, the Handlowy Wzrost S.A., and banks from Britain, Spain, Italy and Austria in creating Centrofin, a Vienna-based company specializing in financing and promoting trade with the Communist countries of the East.

Other banks are involved in similar initiatives. The Banque Worms, a wing of a family holding that built its wealth on coal-trading with Britain beginning in 1948, and which is still going strong with one of Europe's biggest fleets of freighters and tankers, has also allowed foreign banks into its capital. Lloyd's and BOLSA International Bank Ltd. of Britain, the Bank of Scotland and an American and a West German bank hold a total 30 percent of the Worms shares.

One striking feature of French banks' international activities is that they have launched a counteroffensive in the United States. The leading clearing banks and banques d'affaires, including BNP, Worms, Suez and Rothschild, acting alone or in conjunction with other European partners, have established a foothold in the U.S. market by setting up subsidiaries or buying into American banks.

Eurofranc's Gains Noted

PARIS—The role of the French franc in the flowering Eurofranc market depends, as most French bankers will readily admit, on a question of confidence in both the franc as a currency and the French government as makers of financial policy.

Judging from recent trends, however, the Euro-French franc is here to stay.

Foreign-exchange controls, removed in 1967 but reintroduced later, did not make life easy for French bankers in the early stages of the Eurodollar and Eurofranc markets. But they have caught up since then, and a growing number of French banks have recently acted as managers or co-managers of new issues. In recent months they have been able to demonstrate issues increasingly in their own currency.

Taking everything into consideration, "we haven't done too badly in the Euro-currency market," according to one Paris banker. But the City of London at present remains the unchallenged center of Euro-currency transactions.

"The British are not so much more clever than we are," comments another banker. "But the British government, whether Tory or Labor, has always considered the City as sacred. This has not been the case in Paris."

The problem of confidence, both in Paris and abroad, arises, as does so much else in French national life, from the near-revolution that shook this country in 1968.

There have been about two Eurofranc issues per month since last January with a waiting list of about 21 more, which implies that issues will continue at the rate of two per month over the next six months at least.

Crédit Commercial has been the lead bank in six of the issues since November 1967.

Mr. de Roquefeuil said the fact that the issues have been picking up in this way demonstrates their acceptability abroad, whereas "foreign banks were still a bit skeptical as recently as three months ago."

About nine months ago an official of the World Bank told a French banker that his institution was skeptical as recently as three months ago.

The first Eurofranc issue was

made by the Crédit Commercial de France for the Roussel-Uclaf pharmaceutical group—60 million francs over 12 years at 7 percent on Nov. 12, 1967, the day on which the British devalued the pound sterling. The issue was delayed for two weeks.

The next issue, for BP (France), was for 100 million francs at the same rate and for the same period, in February, 1968. Two months later, as one banker put it, "all hell broke loose."

The investors had dipped their toes in the Eurofranc waters and, according to Jean de Roquefeuil, a senior executive of the Crédit Commercial, found it "icy."

As the barricades went up in the streets of Paris, money began flooding out of the country, and holders of the first Eurofranc issues wanted to get rid of them. However, this would have meant expending a fortune in the foreign-currency holdings and the Banque de France, which controls the money market, would not grant Crédit Commercial the currency required.

Growing Interest In Eurofranc Issues

It was not until last July that another Eurofranc issue was made, a move which Crédit Commercial describes as a "trial balloon" that is still afloat and going well.

There have been about two Eurofranc issues per month since last January with a waiting list of about 21 more, which implies that issues will continue at the rate of two per month over the next six months at least.

Crédit Commercial has been the lead bank in six of the issues since November 1967.

Mr. de Roquefeuil said the fact that the issues have been picking up in this way demonstrates their acceptability abroad, whereas "foreign banks were still a bit skeptical as recently as three months ago."

About nine months ago an official of the World Bank told a French banker that his institution was skeptical as recently as three months ago.

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London 'Défi' Is Welcomed

Jean-Marc Vernes, president of the Banque Vernes et Commerciale de Paris, commented: "The enlargement of the EEC should pave the way for further growth for banking activities as well as for the Bourse. Competition from the City will stimulate activity in Paris so that it will become a

The enlargement of the Common Market will inevitably have "practical consequences," said director Gilles Doubrère of the Banque de Suez et de l'Union des Mines. This is precisely why his bank has expanded considerably.

(Continued on Page 11, Col. 3)

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Considered Important**
Paul de la Grange, deputy direc

Franc's Gains Are Noted in Eurobond Market

them. Involved in such ventures have been banks in Belgium, Luxembourg, the Netherlands, Germany, Switzerland, Italy, Norway, the United States and Canada. Placement of Eurofranc bonds so far has been made mainly in Switzerland, Belgium, Luxembourg and Italy.

Bank credit provided 9 percent of the public and private investments in French industry in 1970, a percentage equaling the money put into industry by specialist lending institutions.

neighborhood of 17 percent recorded in the United States and Britain.

The industrial-investment share of the French GNP is expected to rise to about 30 percent by 1975.

Such signs projecting continued major expansion of French in-

ization here, compared with 0.7 percent in the United States, for instance.

**to dramatic outflow of foreign
change triggered by the
only four years ago.**

Of the total of 209.5 billion francs invested in French industry in 1970, the 9 percent committed by banks in this nation represented a solid activity for them.

Such signs projecting continued major expansion of French industry indicate that France will continue to draw investments from abroad, and this, of course, augurs a stimulation of business for banks in France.

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Presence of Paris Finance

YES

State your problem clearly. State it not once, or twice, but three times. In the view of experts, seems to be the single most important piece of advice that French bankers have to pass on to foreign businessmen for handling their contacts with French banks.

"We can't solve the problem unless we understand it," as one expert put it. "A computer can't solve a problem, unless it understands it."

It is not so much a question of language barrier. Many, if not most, bank administration people speak flawless English—German and Spanish, too.

But we have different educational systems, different systems of logic, and this can make mutual comprehension difficult.

There used to be a rule in writing radio news programs in the United States. First, you tell 'em you're going to tell 'em. Then you tell 'em. Then, you tell 'em you've told 'em. The same rule applies here.

The first time, your contact sits your information through this mutual language-screen. He may be speaking English, but then he's not thinking in French.

The second time around, the information you give him is getting closer to him. And you haven't made him make the effort.

The third go checks out his grasp of your problem, and now you can discuss it in your terms.

There is not, according to most bankers here, much of a language problem at all. There are few Frenchmen at this level of general business who do not speak English fluently. French bankers are—and this is fairly recent—perhaps even more aware of the vagaries of English as it is spoken. For fact of the matter, they are keenly conscious of the differences between French and American English. All French people, after all, have learned English. American people, which is more common, say that Americans speak *Amériglish*—which is more like the U.S. description of its language as English.

This distinction is important. There's the story about the mayor hired by the United States during the immediate postwar period to help find out what the French nation needed. He was a linguist.

When the translator went up and down that his English was most noticeable. His British English was.

One of the things that France needed most urgently was bread—mainly wheat for the making of bread. People were hungry. One of the disparities between British English and the French English is the British use of the word "maize" for what the Americans call "corn."

The British English, "corn" means "grain."

The translator, impeccably, informed the United States: "The French need corn."

Thousands of tons of U.S. wheat ships, loaded with the grain and the cattle thought it was wheat. To this day, there are millions of Frenchmen who cannot understand how the Americans expected them to make French bread by using corn on the cob.



French Bankers Welcome the 'Défi' of London

(Continued from Page 10)

its operations in Europe and bolstered its position throughout the Common Market countries in recent years, he said.

He said it was reassuring that the latest reforms and new trends in the French banking system were gradually reducing the disparities in banking regulations and techniques, between France and its main commercial and financial partners.

Christian Delavigne, president of the *Crédit Industriel et Commercial* group, is also confident about the effects of EEC enlargement.

"There has been an enormous change in the thinking of French industrial leaders," he said. "They are at present geared to the Common Market and international competition."

The Leading Center On the Continent

Competition is "healthy" and Paris "will have to improve," president Delavigne said, stressing that the City might be far ahead of the French capital, but Paris was, after all, the leading center on the Continent.

One financial manager of a *banque d'affaires* agreed that the widening of the Common Market was likely to have a considerable impact on banking.

He expressed the view that the French had no reason to fear competition from British industry. But they were justified in fearing the competition from the City, because of the City's expertise and "the flexibility of the British authorities."

While Paris bankers do not seem overly impressed by the performance of British industry, apart from the giants in some fields of advanced technology, they clearly envy their British colleagues the freedom of action that the City has enjoyed during the postwar period. The problem of liberalism versus French government "dirigisme" is a recurrent theme in conversations with bankers here.

They all agree on one point: Liberalism is required if banking is to be "internationalized" and if Paris is to play the role it deserves on the international financial scene.

Britain and France have had one thing in common in the post-war period—foreign-exchange controls.

However, Britain's regulation of its foreign exchange has been more flexible, and this, one Paris banker said, has allowed the City to prosper as a hub of world finance, while indicating that there is no contradiction between liberalism and some amount of "dirigisme" for the country's own residents.

Another banker pointed out that French industry has become competitive during the past decade as a result of the sweeping process of mergers and concentration. There is at present a basically liberal spirit among France's industrial leaders, he declared.

He said that if there had been a different kind of mentality in the past, it was mainly because industry had been lagging.

The same banker said the second significant factor that explains the extent of controls maintained by the French government over the years was the dollar crisis—which had been looming for a long time before it triggered the recent series of monetary upheavals.

Historical Factors In State's Activities

Another expert agreed that the authorities' influence on banking in France was one of the main differences between the situation here and that in other countries. But he asserted that this was largely due to historical factors: Just after World War II the French economy was run down to such an extent that it would have been impossible to rebuild the country and develop its potentials without official "dirigisme."

This explains the complexity of the French credit system, since authorities had channeled funds to sectors where they were most needed through an elaborate system of preferential interest rates, he said.

At the same time, the early postwar period was for France an era of political and economic instability with inflation, short-lived governments and frequently changing policies, the banker noted. He said there has been a radical change for the better since the creation of the Common Market and the return to

power in 1958 of the late Gen. de Gaulle.

Even the sternest critics of government policy readily admit that French banks have more elbow-room at present because of the series of reforms initiated with the introduction of a new banking code just over five years ago. Private bankers also agree that the "big three" nationalized deposit banks enjoy full autonomy and behave like any other banks.

There are also many bankers who believe that the senior officials at the Finance Ministry and the *Banque de France* are genuinely liberal in their outlook. The banks' problem, said one senior member of the Paris financial community, is that while authorities realize that competition—liberalism—would be healthy for the economy, outside factors—such as the monetary crisis—have compelled them to remain cautious.

And, as another banker observed, other countries also have laws and regulations which impede full freedom of financial transactions. "This is not only typical of France," he said.

The easing of foreign-exchange controls since the beginning of this year is, of course, welcomed by the banking community, which expects additional measures in the same direction as the widening of the EEC draws closer. "French authorities will be compelled to be more liberal if they want France to be competitive," said a senior banker.

This, he said, bears notably on the government attitude toward foreign investments in industry. There has been a two-way liberalization of portfolio investments, but, as some bank officials point out, authorities still tend to shield some key sectors of industry which they want to keep under French control.

The editorials of a Paris economic daily said recently that this seemed inconsistent with recent tours abroad by cabinet ministers seeking to lure foreign investors to France. "However," said a young bank executive who cannot be suspected of chauvinistic attitudes, "if you take a sufficiently close look, you'll find that it is the same practically everywhere."

The views expressed by French bankers do convey the impression that they have a very realistic approach to problems in this field of government controls and are much less touchy about French attitudes than foreigners generally believe.

They seem to agree that with the widening of the Common Market, the time has come to do away with the remaining banking-policy differences between the French government policies and its EEC partners. This will probably have to involve a general move toward harmonizing legislation within the framework of EEC plans for economic and monetary union. In this respect, most Paris bankers stress the need for rapid progress toward agreement on company law and harmonization of fiscal systems and tax rates.

European Position Vis-à-Vis the U.S.

Such steps may take time—but once they are achieved, a major step will have been made toward cross-border mergers and multinational banking. Western Europe would then be in a much better position to meet American competition, the French feel.

Another frequently quoted example of the need for an international approachment on banking techniques: French companies will have to improve their reports, since their balance sheets at present are, for foreigners, still "very hard to grasp." Noting this, one Paris banker explained that French law on this point is less exacting than foreign legislation.

If it is "more difficult to be an international banker in Paris than in London," it is certainly easier for Frenchmen than for foreigners to be bankers in Paris, a Frenchman noted. "We have learned to live with it," he said in reference to the complexity of the credit system and laws and regulations, born out of tradition and historic contingencies.

"If you want to set up a business in France, you'll need a French bank," said a senior executive here. "Quite frankly, we have the expertise and the know-how, and we know on which doors to knock. You'd need us at least for the contacts that we can provide."

Said one British businessman who has been running his company in France for several years: "I sometimes tell foreign friends that many things would seem somewhat bizarre to them in France, but nothing is directed against you."

Ministry's Move

Rules for Bourse Get Streamlining

PARIS.—It's a step in the right direction," a French banker said after Finance Minister Valéry Giscard d'Estaing recently announced moves to streamline the Bourse, the Paris stock market, and to make it more attractive to foreign investors as the Common Market Six become the Ten.

The new measures are intended to ease foreign investment in French equities by making the machinery of the Bourse more compatible with stock exchange practices elsewhere—particularly in London.

As announced, the new regulations would:

- Let specialists operate on the market.

- Permit share purchases by the companies that issued them (a measure intended to overhaul French companies' profit-sharing plans by providing for distribution of stocks to employees).

- Ease conditions for block-trading, particularly as a means of protection for small shareholders.

- Allow the establishment of incorporated stock brokerages (under present French law brokers are held personally liable for trading).

- Revamp the responsibilities of portfolio managers taking chances for their clients.

Mr. Giscard d'Estaing made it clear that the Bourse reform was in large part intended to "strengthen the Paris Bourse in relation to foreign competition as the Common Market is enlarged."

The finance minister said, "This same concern for improving the competitiveness of the Paris exchange in relation to the City of London will guide the government when, in due time, it examines the conclusions of studies and projects under way on the problems of the establishment of financial institutions."

The measures were first announced at a conference organized here in early May for brokers interested in the Bourse. The finance minister took the occasion to say that there had been heavy buying by foreign interests

in preceding weeks, and that this had had much to do with a steady climb on the Bourse in March and April.

There is general approval among French bankers of the steps announced by the Finance Ministry, and general agreement on the value of Paris as an international financial center. One banker seemed nonplussed when asked about the advantages of Paris in this regard: "Because we are here!" he replied.

An official of the *Séquestrée de Banque* said that one advantage of Paris as a center for international finance was its place as the center of French business. "The entire French economy is here; this is advantageous to foreigners."

Charles Delamarre, general manager of the *Banque de Construction et de Travaux Publics*, hailed the moves announced by the government. But he added: "Much remains to be done."

He also welcomed the competition expected from the City of London, on the grounds that it would be good for the market, and he confidently voiced expectations of cooperation in this field.

President Jean-Marie Vernes of the *Banque Vernes et Commerciale* de Paris said the activity here over the past few months shows that if Paris has not already become a financial center of considerable rank, "it won't take much more" to attract foreign investors to French shares. He, too, said that competition from the City of London was to be welcomed.

At the *Crédit Industriel et Commercial*, President Jean-Paul Delavigne expressed the opinion that, technically, the Bourse was well organized and all the guarantees necessary for investors were present. He cited foreign-exchange controls and the complexity of regulations as problems.

Bankers are waiting for specifics on the government's reform plans—the details of which have yet to be disclosed—before making any final judgments.

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1976	— 3/4	Cuba 415278	22	15	14 1/2
1977	+ 1/2	Europ C 415278	1	86	86
1978	— 1/2	Finland 6278	3	100%	99
1979	— 1/2	Finland 6278	1	97%	97%
1980	— 1/2	Germany 6278	2	92	92

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TV-21 New Zealand

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98 1/2	AKZO 5 1/2-7 1/2	15
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MonarchCap	.48r	164	174

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	NatWestn Lf		23	4

— 1/2	New Nat'l	126	23%
— 1/4	Occidental Life	5	3%

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	Std Helms 20b		10 1/4
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	Windsor Life	44	24
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the 1990s, the number of people in the world who are under 15 years of age is expected to increase by 1.5 billion, from 1.1 billion in 1990 to 2.6 billion in 2010. The number of people aged 65 and over is expected to increase by 1.1 billion, from 0.3 billion in 1990 to 1.4 billion in 2010. The number of people aged 15-64 is expected to increase by 1.1 billion, from 2.7 billion in 1990 to 3.8 billion in 2010. The number of people aged 65 and over is expected to increase by 1.1 billion, from 0.3 billion in 1990 to 1.4 billion in 2010. The number of people aged 15-64 is expected to increase by 1.1 billion, from 2.7 billion in 1990 to 3.8 billion in 2010.

**RIP
KIRBY**



HEY, OLD BUD, I GOT LEMONADE! IT SURE LOOKS GOOD.

IT IS GOOD.

MAY I HAVE A GLASS?

NOPE.

I'M GOING TO TAKE EVERY DROP OF IT MYSELF.

SOMETIMES I WONDER HOW THAT GUY GOT TO BE MY BEST FRIEND.

By Dave Coverly

By Alan Truscott

antiquity that requires the third player in such situations to play his second highest card. It was therefore clear to West that his partner held a heart doubleton and that the suit was a lost cause. He therefore made the fine play of shifting to the spade ten.

South could still have survived if he had attacked diamonds immediately, for East would have run out of entries before his spades were established. But the declarer failed to appreciate the position.

He won the spade in dummy and played a club to the queen. This, which would have been a winner at trick two, was a loser at trick three. West won and played his second spade, leaving his partner in control. As soon as the declarer tackled diamonds, East could establish spades. The defense made six tricks—two spades, two diamonds, a heart and a club—while game was made by North-South at almost every other table.

♣ AQ85
Both sides were vulnerable.
The bidding:
South West North East
1 N.T. Pass 3 N.T. Pass
Pass Pass
West led the heart queen.

P	E	T	E	A	C	T	S	H	E	C	C	I	A
A	N	I	S	A	H	E	M	O	R	I	O	N	E
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F	E	C	N		B	O	L	D	E	R	I	A	M
A	T	T	N	E	L	O	B	E		D	I	N	E
A	C	T	A	N		E	N	L	O		A	C	I

A black and white cartoon illustration of a boy and a girl in a bedroom. The boy is sitting on the floor, looking up at the girl who is standing and looking down at him. They are both smiling. There is a bed with a lamp on a nightstand in the background. A small dog is on the floor. The artist's signature 'K. Williams 6-19' is in the bottom left corner.

"THIS IS MY FRIEND, JOEY. HE'LL BE COMIN' TO YOU FROM HERE FOR A COUPLA NIGHTS WHILE HIS MOTHER IS SHOPPIN' FOR A NEW BABY."

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

YONEH *© 1999 by The National Museum of Jewish American History and Heritage*

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CASHO

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Print the SURPRISE ANSWER here

We're under way

Report to sick bay ... you look this

GETS PULLED OUT OF A BED TO BE WEIGHED.

Answer: You wouldn't be prepared to make such a speech.—**IMPROMPTU**

A POLITICAL EDUCATION

By Harry McPherson. Atlantic-Little, Brown.
467 pp. Illustrated. \$10.95.

Reviewed by Anatole Broyard

“A Political Education” is a lesson not only for Harry McPherson, but also for most of

us. To put it bluntly, few Americans have a realistic idea of how our government works. We have instead a series of naive assumptions. If the message of this book is to be taken seriously, it is that some of the shame and fury that currently caricatures our politics and our national image could be averted. For example, political commentators—who ought to know better—and “concerned citizens” are forever holding up a senator’s vote record in a particular bill as if it is a tell-tale mirror of his convictions and his response to his constituency. What these attitudes don’t take into account—and here is Mr. McInerney’s education—is that a senator’s life is such a series of necessary compromises that one would have to know the circumstances before making a judgment. For most of the years between 1956 and 1968, the author was inside the Rubic Goldberg machine of the Senate and now he tells us how it works.

He acquired his education while working as an aide for Lyndon B. Johnson and many of his pages are devoted to praising the man and apologizing for his image. Though we may not yet have the perspective to judge his estimates of Mr. Johnson, the author could not have chosen a better man—in our time at least—to illustrate his lesson. For whatever reason, he may have been, Mr. Johnson was the first and foremost man we get to find things done he had to work in weird ways. He had no sword and no wheel and deal, horse traded, and compromise; above all, he had to manipulate senators to get support for the things he believed were right, and this gave him a Machiavellian reputation. He was described as a "user of men," as if it would have been better if they were used as tools. Because he relied on incessant private bargaining for support, he could never afford to explain himself, and for fear of offending those who had horse-traded with him, this

Contrasting Mr. Johnson with Sen. Paul H. Douglas, Mr. McPherson says he had proper "no issues; that he had chosen effectiveness over prophesy. According to the author, Mr. Douglas, like Sen. J. W. Fulbright, often seemed to have a stake in losing, in being isolated and righted. Mr. Johnson, he says, was "a man increasingly in the solid center in a hostile environment... in obscuring to the already converted." This unrealistic negativity, he feels, did much

tions, and he had about as y
charisma in the public eye
pawnbroker.

Mr. McPherson was a young Texas lawyer, a liberal Southerner, who felt about his home state that "the attacks of outside men even when intellectually favorable, when intellectually to acquiesce for the pleasure of growing up in a home town, is never as easy as in comparing Johnson and John P. Kerr the author can hardly be impartial—yet one feels torn much," that he says. Well, Mr. Kennedy takes the non-lesson from Mr. Johnson, he says, and goes on to the ward "the kid whom he had and whose grace I thought carried, who knew so much than he about getting things, in Washington, and so much about the search for delegate the building of an image." Kennedy, then, he writes, Mr. Kennedy was "the nephew who sings an Irish song for the company, and then suddenly disappears before the clearing and diswashing be-

Much of "A Political History" is well known history by name, the chief virtue of some pages on the battle for rights, on the crisis of the war in Vietnam, on the strategy of President Johnson and his advisers. Fascinating to read Mr. John's recommendations upon supporting a move, and shrewd, flusterless replies there. In his summary of President's other aides and the snakes he knew best, McPherson is refreshingly candid in both his praises and his criticisms. He has very little to say for the student body's finances on politics, quoting "as Jefferson's remark that we are 'patients of Bedlam, need medical more than moral or self.' Nor is he fond of The Great Enemy of Books, where he says poets and literary orators hide in the psychopaths' lair."

There is a moving scene which Mr. Johnson, making his mind to retire, asks Mr. Thayer and another aide to join three good reasons why should not. "You have to," they said. "Nobody else could a program through the Congo Mr. Johnson shook his head. "No. Congress and I are an old man and woman who lived together for 35 years. We know each other's faults and what little good is in us. We're tired of other."

In summing up, the author says that the most serious problem facing our government "whether we could learn from our experience and shorten the lag between events and response to them... it was Don Johnson's fate to be President at a time when the lag came home."

CROSSWORD_____By Will W.

-By Will W.

[illegible]

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Observer

The Artful Gardener

By Russell Baker

NEW YORK—Directions for painting a small rusted cast-iron container with a shiny coat of rust-resistant black paint, in order that two geraniums and some white impatiens may be planted in it and the arrangement placed at the edge of a brick patio to give the garden a more pleasant appearance.



Baker

Go to the hardware store and buy a small can of rust-resistant black paint. Return home. Ask where old paint brushes are stored. Ascertain that they are stored in the back storage room in the cellar.

Upon arriving there, observe that the light bulb is burned out. Go to the kitchen cabinet for a new light bulb. Note that there are no light bulbs in stock. Ask where the flashlight is. Ascertain that the flashlight is probably in the front storage room in the attic.

Upon arriving at the front storage room in the attic, observe that the light bulb has been removed. Proceed to the living room on the first floor. Remove a light bulb from a reading lamp. Take this bulb to the back storage room in the cellar and use it to replace the burned-out bulb and to illuminate the supply of old paint brushes. Remove a small paint brush from the spider webs and take it to the back patio, with the black rust-resistant paint.

Order someone inside the house to bring out newspapers. Spread these on the brick patio and place the small rusted cast-iron container on them.

Observe the rust on the object to be painted. Note that instructions on the can of rust-resistant black paint urge thorough removal of all rust from the object to be painted.

Entering the house, inquire about rust-removal technology. Ascertain that a stiff wire brush is widely regarded as an effective rust-removal tool. Ask where stiff wire brushes are kept. Ascertain

that they are stored either in the back storage room in the cellar or the front storage room in the attic, if there are any stiff wire brushes in the house, which is doubtful.

Note that it would be faster to go back to the hardware store. Upon arriving at the hardware store, learn that its last stiff wire brush was sold just that morning, but that a new order is expected next week.

Return home. Ask where the screwdrivers are stored. Ascertain that they are in a cardboard box at the back of the cabinet under the sink. While searching under the sink, note a serious leak in the drain. Pray that it will cost no more than \$150 in new plumbing.

Removing a rusted screwdriver, take it to the brick patio and gouge the small rusted cast-iron container with it until you either perceive the futility of trying to remove rust with a screwdriver or tear a wicked gash in your hand with an ill-aimed gouging gesture.

Remove the lid from the rust-resistant black paint. Soak the brush in the paint and stroke the rust on the exterior of the cast-iron container with a bold gesture. Observe how quickly the rust becomes covered with the paint. Lie to yourself by believing that this paint is a very powerful paint that may very well consume the rust over which you are now painting.

About one-third of the way through the painting, examine your new corduroy trousers. The splashes of black paint on them will still be wet. Enter the house, change into a worthless pair of old ugly painting trousers and plead loudly for someone to bring you something that will remove rust-resistant black paint from corduroy.

Do not hit the children or kick the cat.

Ascertain without self-pity that paint thinner or turpentine will be required to clean the paint from your hands, which have been making a mess of the towels, and that there is neither turpentine nor paint thinner on the premises. Go to the hardware store and buy paint thinner.

Time, Tonga And Minerva

By John Forbes

WELLINGTON, New Zealand (UPI)—Never before in history has a South Pacific coral reef attracted so much international attention.

The bizarre story first broke in Suva, Fiji, late last January when a group known as the Ocean Life Research Foundation of New York and London claimed national sovereignty over the two barely visible Minerva Reefs in mid-Pacific.

The reefs (roughly 400 miles south of Fiji, 600 miles north of New Zealand and 200 miles from the islands of Tonga) were best known as navigational hazards and generally were given wide berth by mariners. No nation had heretofore claimed the remote, sea-lashed outcrops.

But, when the Ocean Life Research Foundation announced plans to reclaim 400 acres of land on South Minerva, a floating sea city in the lagoon and establish a sovereign republic on the do-it-yourself island, a political controversy began and has been raging ever since.

Fiji's Prime Minister Ratu Kamisese Mara labeled reef-grabbing "a dangerous precedent" and refused to recognize the embryonic republic.

An official of the Polynesian Kingdom of Tonga noted that his nation has historically considered the reefs as Tongan fishing grounds and had raised a flag on the reef in 1968.

The Tongan claim was quickly refuted by Republic of Minerva spokesmen who pointed out that a year-and-a-half-old memorandum for sailors who had died on the reefs and did not constitute a declaration of sovereignty.

The Minervans, on the other hand, had been busy on the reefs since mid-1971. According to Michael Oliver, a founder and driving force of the Ocean Life Research Foundation, they had raised two points on the reefs above high-tide level; marked the reefs as navigation hazards with beacons and radar reflectors and hoisted their own flag. Mr. Oliver brought back photographs from South Minerva as proof.

Mr. Oliver, 43, a Lithuanian-born, naturalized U.S. citizen who lists his residence as Carson City, Nev., also reported that a deep-water dredge had been lifted in Brisbane, Australia, to begin reclaiming



Flag of Minerva raised over coral reef in Pacific.

land on the reef as soon as the hurricane season ended.

So far, the dredge has not appeared although a team of engineers retained by the Republic of Minerva visited the reefs early in May. The results of their studies have not been disclosed.

Even though the monarchist Republic of Minerva has been roundly condemned by leaders of all nearby Pacific nations, only the Kingdom of Tonga has taken an active role.

In February, a Tongan ship deposited a survival station (a box containing emergency provisions and medical supplies) on the reef. About the same time at the South Pacific Forum meeting in Canberra, Australia, Tonga's prime minister championed a resolution to bring the Minerva question before the Geneva Conference on Law of the Sea next year. The resolution was supported by all six Pacific nations present at the Canberra forum.

Change of Tactics

More recently, however, Tonga appears to have abandoned watchful waiting in favor of a frontal attack.

About three weeks ago, it was reported from the capital of Nukualofa that Tonga had launched a mystery mission to Minerva. In charge was no less a personage than Tonga's 350-pound King Taufa'ahau Tupou IV. According to a government official, "His majesty has gone to have a look." But it was also established that the Tongan expedition was more than mere reconnaissance.

On board the vessel were 20 convict

laborers, a contingent of "defense" personnel and a cargo of what might be termed island-building equipment. As yet, there has been no visible reaction to Tonga's landing party from the Minervans themselves. "They steadfastly maintain that their claim to the reefs is impeccably legal and absolutely valid under international law."

Mr. Oliver foresees the republic as a haven for as many as 10,000 who believe fervently that the 20th-century world is headed rapidly for hell in a handbasket. "We want to build a society which will not repeat the mistakes all the others have made," says Mr. Oliver.

In the Minervans' view, the major "mistake" organized society has made is that of inhibiting the economic freedom of the individual. Economic control by government leads to thought control, Mr. Oliver insists, and cites his visionary republic as "a moral defense of free enterprise."

The philosophical backdrop for this laissez-faire utopia has been prepared well in advance. The writings of anti-socialist Ludwig von Mises, author and teacher, provide the basic text. Another patron saint of the movement is American Ayn Rand, whose novels "The Fountainhead" and "Atlas Shrugged" elaborate the theme.

Whatever the final outcome, the Republic of Minerva has certainly enlivened the South Pacific scene during its first six months of history. At present, time and Tonga hold the keys to Minerva's future. "All we ask," says a New Zealand spokesman for the water republic, "is to be left alone."

But the King of Tonga obviously has other ideas.

PEOPLE: How Yesterday Began In Spokane In 1909

"I liked everything you said about yesterday," Mrs. John Bruce Dodd, of Spokane, Wash., told the minister after a 2-1/2 hour church service, "but don't you think fathers deserve a place in the sun, too?" She asked that question—back in 1908—Mrs. Dodd, who recently celebrated her 90th birthday, has seen her wish to "give poor father a chance" develop into Father's Day, an event observed internationally on the third Sunday in June. Of that sermon hour ago, Mrs. Dodd says, "It was full of indignation for motherhood. I began thinking of my mother who passed away in 1886 while I was yet a child. My thoughts naturally turned to my father who was left with the responsibility of rearing six children. He was a very strict man, a real disciplinarian. But he was also a kind and loving parent who kept us together and happy."

Mrs. Dodd discussed her plan with her minister and the Spokane Ministerial Alliance and drew up a petition recommending adoption of a national Father's Day. The local YMCA "enthusiastically endorsed" the plan and set June 19, 1910, as the first Father's Day. The petition drew only two signatures. (One group of men, asked to sign, laughed and suggested a national fishing day would make more sense, Mrs. Dodd recalled.)

Undaunted, Mrs. Dodd and her supporters continued with their plans to honor father with his own day and celebrated the first Father's Day in Spokane. Six years later, after the idea had gained support from U.S. Sen. Clarence C. Dill of Washington, presented a more successful petition to President Woodrow Wilson, who gave the day national recognition.

President Calvin Coolidge followed in 1924 by stating the event should be observed by Americans everywhere. And it spread from there.

TRAVELING: Address Barbara Streisand, who visited a communal farm beside the Sea of Galilee Saturday and had lunch with Israel's deputy premier Yigal Allon. She is accompanied by her son and is a guest of the Israeli Ministry of Tourism. (Inset photo) both of Britain who will pay a private visit to Germany later this year to see part of the Olympic Games at Munich. The queen and her party, including Princess Anne, will stay with the Duke of

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